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POLICY

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

ANNUAL REVIEW OF THE FINANCIAL SITUATION, 1990

Report of the Administrator

SUMMARY

The present report constitutes the Administrator's principal report on the financial aspects of the United Nations Development Programme and provides a comprehensive financial review of the activities financed from the United Nations Development Programme account during 1990 and of the financial position as at the end of that year and responds to decisions of the Governing Council described below.

The report includes estimates of anticipated resources and expenditures for 1991 and 1992, as well as information on cost-sharing activities, the status of the Special Measures Fund for the Least Developed Countries and of Special Programme Resources, the placement of United Nations Development Programme funds, the Operational Reserve, and the utilization of accumulated non-convertible currencies.

The report also provides information on agency support cost flexibility arrangements in accordance with paragraph 8 of decision 82/36 of 18 June 1982; the status of the Reserve for Field Accommodation and related matters, in accordance with paragraph 5 of decision 82/30 of 18 June 1982 and paragraph 2 of decision 89/57 of 30 June 1989; management and other support services as per decision 83/5 of 24 June 1983; ex-post facto reporting as requested in paragraph 3 of decision 90/50 of 22 June 1990, and changes to the Financial Regulations in accordance with paragraph 12 of decision 90/48 of 22 June 1990.

The report also provides information on those trust funds established by the Administrator in 1990 under the authority granted to him under Regulation 5.1 adopted by the Governing Council in decision 81/28 of 30 June 1981.

The Governing Council is being requested: (a) to provide guidance as to the future of the Special Measures Fund for the Least Developed Countries (see paras. 15 and 16); (b) to authorize the Administrator to increase the allocation within the Reserve for Field Accommodation for the Household Appliance Rental Scheme to $850,000 and to reduce the amount allocated to the rehabilitation of existing houses to $1.55 million (see paras. 32 and 33); and (c) to respond to the requests of the United Nations Industrial Development Organization and the World Meteorological Organization for additional support cost reimbursement (see sect. VIII).

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ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AsDB	Asian Development Bank
CPMP	Country Programme Management Plan
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCWA	Economic and Social Commission for Western Asia
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
GCCC	Government cash counterpart contribution
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMO	International Maritime Organization
IPF	Indicative planning figure
ITC	International Trade Centre
ITU	International Telecommunication Union
JCGP	Joint Consultative Group on Policy

NGO	Non-governmental organization
OPS	Office for Project Services
PDF	Project Development Facility
SIDFA	Senior Industrial Development Field Adviser
SIS	Special Industrial Services
SMF/LDC	Special Measures Fund for the Least Developed Countries
SPR	Special Programme Resources
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNV	United Nations Volunteers
UPU	Universal Postal Union
USAID	United States Agency for International Development
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Tourism Organization

I. OVERVIEW OF THE MAIN PROGRAMME

A. Income and expenditure

1. The present report provides the Governing Council with comprehensive financial information on the activities financed from the United Nations Development Programme (UNDP) Account during 1990. Information on trust funds administered by UNDP is being provided to the Council in separate documents. In response to the Council's request contained in paragraph A.1 of the annex to decision 87/1 of 17 February 1987 that basic statistical data and financial data be provided to it for trust funds which are not required to report in the current year, the Administrator has provided a resource planning table for UNV in an addendum to the present document.

2. In presenting this review of financial activities in 1990 and projections for 1991 and 1992, the Administrator wishes to draw to the attention of the Governing Council a situation which has been identified with respect to contributions to the Programme. The value of pledges to UNDP in 1990 amounted to $1,049.3 million. The value of pledges for 1991, including estimates for countries which have not as yet announced a pledge, as at 1 April 1991, is $1,050 million. The value of contributions for 1991 reflects to some extent the strengthening of the dollar in early 1991. Although contributions are basically unchanged in dollar terms, in real terms, at fixed exchange rates, the increase of 1991 over 1990 is 3.9 per cent. This, however, does not totally reflect the resource situation. In 1990, UNDP received $12.8 million for the Special Measures Fund for the Least Developed Countries (SMF/LDC). In 1991, the resources available to the SMF/LDC are expected to be minimal. Taking this into account, in real terms, therefore, total resources available to UNDP for 1991 have increased by only 2.3 per cent. In light of paragraph 18 of its decision 90/34 of 23 June 1990 on the fifth programming cycle, by which the Council decided that LDCs shall receive 55 per cent of indicative planning figure (IPF) resources, the Administrator can see the merit in consolidating SMF/LDC resources with those of the main programme. However, it would be appropriate in that instance to maintain the level of total resources to the programme.

3. Tables 1 and 2 below provide the unaudited data on income and expenditure during 1990 and the statement of assets and liabilities as at 31 December 1990. These can be compared to the forecasts for 1990 made in March 1990 and presented to the Governing Council at its thirty-seventh session in document DP/1990/64. The results in 1989 are also provided for comparative purposes. In addition, the Administrator presents in these tables his forecasts for 1991 and 1992. These forecasts represent the Administrator's best estimates for these years. For this purpose, and as appropriate, the United Nations operational rates of exchange in effect as of April 1991 have been used in making projections of income and expenditure. Whenever necessary and appropriate, historical patterns and judgemental factors have been used in making the projections of other financial elements.

4. Total income in 1990 amounted to $1,361.6 million and total expenditure to $1,388.5 million. This resulted in a net deficit of income over expenditures of $26.9 million, which is attributable to the individual funds in the UNDP Account, as shown in table 3. As a result of the deficit of income over expenditure of the main programme, the balance of UNDP general resources decreased from $523.2 million at 31 December 1989 to $472.2 million at 31 December 1990 ($448.2 million if accumulated non-convertible currencies are excluded).

5. As shown in table 1, total income in 1990 amounted to $1,361.6 million, which was $117.1 million more than projected. This resulted primarily from increases in income received for cost-sharing activities and from miscellaneous income. Income from all other sources of funds were either slightly lower than anticipated or marginally higher. Once again, the impact of exchange rate changes was significant. The increase in miscellaneous income includes exchange rate gains of $83 million and higher than anticipated interest earnings of some $45 million. The increase in cost-sharing contributions to $169.2 million were $50.8 million more than 1989. The increase in cost-sharing contributions cannot be attributed to an increase by any one donor but rather was a general increase by many donors.

6. The weakness in the value of the dollar also resulted in an increase in the value of pledges in 1990. Although the value of 1990 pledges as at 31 December 1989 was $980.8 million, 2.9 per cent less than pledges in 1989, the value at 31 December 1990 was $1,049.3 million, 10.2 per cent more than pledges in 1989. This was a result of the significant decrease in the value of the dollar during the year. The impact of exchange rate fluctuations on pledges over the past several years is provided in table 4. It should be noted that the dollar has strengthened during the first quarter of 1991 so that the opposite result (losses on exchange on UNDP holdings and a reduction in the value of pledges) might be anticipated for 1991. For 1991 to date, the growth in pledges in real terms (fixed exchange rates) is approximately 4 per cent. The level of outstanding pledges at the end of 1990 is higher than usual for UNDP in that several Governments were unable to pay their pledge fully during the year (see annex table 5).

7. Total expenditures in 1990 amounted to $1,388.5 million, i.e., $6.6 million more than forecast and $182.3 million more than 1989. IPF expenditures exceeded projections by 4 per cent and at $849.1 million, including IPF add-on expenditure, were 16.5 per cent higher than in 1989. Expenditures under the SMF/LDC amounted to $17.3 million, 44 per cent over 1989 expenditures. A substantial increase was also realized under cost-sharing expenditures. These increased by $22.5 million over 1989 to $130.4 million, a 21 per cent increase. The decrease in the biennial budget from the forecast does not reflect the savings noted. The projected expenditure was a preliminary figure.

Table 1. Statement of actual and/or forecasts of income and expenditure as at 31 December 1990 for the years 1989 through 1992

(Millions of United States dollars)

	1989 Actual	1990 Forecast	1990 Actual	1990 Variance	1991 Forecast	1992 Forecast
I. INCOME						
Contributions from Governments						
Voluntary pledges (cash receipts)	938.2	1 020.0	1 006.6	(13.4)	1 114.7	1 081.0
Less: Transfers to Government local office costs	(5.6)	(6.0)	(5.1)	0.9	(6.0)	(6.0)
	932.6	1 014.0	1 001.5	(12.5)	1 108.7	1 075.0
Voluntary pledges for the Special Measures Fund for the Least Developed Countries	15.2	15.0	12.8	(2.2)	0.1	0.1
Cost-sharing contributions	118.4	120.0	169.2	49.2	160.0	160.0
Cash counterpart contributions for projects	9.6	12.5	8.0	(4.5)	10.0	10.0
	1 075.8	1 161.5	1 191.5	30.0	1 278.8	1 245.1
Exchange adjustments on collection of contributions a/	(0.5)	-	(4.2)	(4.2)	-	-
	1 075.3	1 161.5	1 187.3	25.8	1 278.8	1 245.1
UNDP extrabudgetary income	22.9	23.0	24.1	1.1	28.5	29.5
Miscellaneous income (net)	55.7	60.0	150.2	90.2	65.0	57.0
TOTAL INCOME	1 153.9	1 244.5	1 361.6	117.1	1 372.3	1 331.6
II. EXPENDITURE						
Programme expenditure						
From indicative planning figures	728.9	815.0	849.1	34.1	860.0	860.0
From Special Programme Resources	34.1	45.0	33.6	(11.4)	40.0	40.0
From the Special Industrial Services	3.0	3.0	5.2	2.2	1.0	3.0
From the Special Measures Fund for the Least Developed Countries	12.0	15.0	17.3	2.3	16.0	11.0
From cost-sharing contributions	107.9	115.0	130.4	15.4	145.0	140.0
From Government cash counterpart contributions	11.7	14.0	9.7	(4.3)	9.0	9.0
	897.6	1 007.0	1 045.3	38.3	1 071.0	1 063.0
Agency support costs	112.9	127.4	128.1	0.7	133.3	132.8
Other costs	10.9	5.5	4.3	(1.2)	8.9	9.0
UNDP biennial budget expenditure	163.4	218.9	184.7	(34.2)	203.8	213.0
UNDP extrabudgetary expenditure	21.4	23.1	26.1	3.0	28.0	29.0
TOTAL EXPENDITURE	1 206.2	1 381.9	1 388.5	6.6	1 445.0	1 446.8
III. EXCESS OF INCOME OVER EXPENDITURE	52.3	(137.4)	(26.9)	110.5	(72.7)	(115.2)

a/ Exchange adjustments on payment of pledges are recorded in a separate account in accordance with Financial Rule 104.3. These adjustments arise if the payment is made in currency other than that pledged.

Table 2. Statement of actual and/or forecasts of net assets and liabilities as at 31 December 1990 for the years 1989 through 1992 a/

(Millions of United States dollars)

	1989 Actual	1990 Forecast	1990 Actual	1990 Variance	1991 Forecast	1992 Forecast
I. ASSETS						
A. Cash						
Convertible currencies	5.5	2.5	2.7	0.2	3.0	3.0
Usable non-convertible currencies	1.5	2.0	2.4	0.4	2.5	2.5
Accumulated non-convertible currencies-main programme	46.8	51.4	24.0	(27.4)	29.4	30.0
Rouble holdings for the USSR TF	2.3	2.0	1.3	(0.7)	1.5	1.7
Cash at field offices	16.3	15.0	20.0	5.0	20.0	22.0
Government letters of credit	2.2	2.5	2.5	-	2.5	2.5
Investments						
UNDP main programme	640.0	559.6	650.3	90.7	637.5	544.4
Supplementary activities	284.1	243.2	332.1	88.9	315.5	314.5
	998.7	878.2	1 035.3	157.1	1 011.9	920.6
B. Advances and accounts receivable						
Operating funds provided by UNDP to participating and executing agencies (net)	38.8	40.0	72.3	32.3	76.0	80.0
Other amounts receivable	82.3	65.0	74.6	9.6	78.5	82.2
	121.1	105.0	146.9	41.9	154.5	162.2
	1 119.8	983.2	1 182.2	199.0	1 166.4	1 082.8
II. LIABILITIES						
Unliquidated obligations of participating and executing agencies	180.7	185.0	208.3	23.3	246.0	258.5
Other amounts payable	200.0	200.0	250.1	50.1	263.0	275.9
Management services	18.1	15.0	26.2	11.2	30.0	35.0
	398.8	400.0	484.6	84.6	539.0	569.4
III. UNEXPENDED CONTRIBUTIONS						
For the Special Measures Fund for the Least Developed Countries	43.6	43.6	39.0	(4.6)	23.1	12.2
For cost-sharing contributions	129.3	119.3	158.2	38.9	155.2	157.7
For Government cash counterpart contributions	6.9	4.9	8.3	3.4	9.0	9.0
For extrabudgetary activities	18.0	17.9	19.9	2.0	20.4	20.9
	197.8	185.7	225.4	39.7	207.7	199.8
	596.6	585.7	710.0	124.3	746.7	769.2
IV. NET ASSETS						
Balance of general resources	523.2	397.5	472.2	74.7	419.7	313.6
Balance of general resources (Exclusive of accumulated non-convertible currencies)	476.4	346.1	448.2	102.1	390.3	283.6

a/ Exclusive of the Operational Reserve ($200 million) and the Reserve for Field Accommodation ($25 million).

Table 3. 1990 (Deficit)/Surplus of income over expenditure in the UNDP Account by source of funds

Source of funds	Amount (Millions of dollars)
General resources	(47.1)
Cost-sharing	28.9
SMF/LDC	(4.5)
Government cash counterpart	(2.2)
Extrabudgetary activities	(2.0)
Total surplus of income over expenditure	(26.9)

Table 4. Pledges to UNDP in 1988, 1989 and 1990

	1988 (millions of dollars)	Percentage change	1989 (millions of dollars)	Percentage change	1990 (millions of dollars)
Pledges valued at preceding 31 December	973.6	3.8	1 010.6	(2.9)	980.8
Value at year end	950.1	0.2	952.0	10.2	1 049.3
Exchange impact gain/(loss)	(23.5)		(58.6)		68.5

B. Net assets and liabilities

8. A balance sheet variance analysis for 1990 is presented in the boxed section of table 2. The balance of general resources of UNDP as at 31 December 1990 was $472.2 million as against a forecast of $397.5 million. The difference, $74.7 million, is almost entirely a result of miscellaneous income being $90 million higher than anticipated. This was a result of the substantial gains on exchange recorded in 1990 from the weakening of the dollar. If the balances held in accumulated non-convertible currencies are excluded, the balance of general resources would be $448.2 million. This latter amount more accurately reflects the level of resources which the Administrator has available for programme expenditure. Investments held on behalf of the main programme as at 31 December 1990 amounted to $650.3 million. Investments held on behalf of the Operational Reserve were $200 million and those for the Reserve for Field Accommodation $11.5 million,

the undisbursed portion of the $25 million Reserve for Field Accommodation. The amounts invested for supplementary activities amounted to $332.1 million. This was held on behalf of the activities shown in table 5 below.

Table 5. Investments as at 31 December 1990: Supplementary activities

(Millions of dollars)

Unexpended resources for the SMF/LDC, Cost-sharing, cash counterpart contributions and extrabudgetary resources	225.4
Trust fund activities	65.7
Management Service Agreements	26.2
Advances received in respect of Agency programmes	14.8
	332.1

C. Programme expenditures

9. Field programme expenditure in 1990 amounted to $1,045.3 million. This is a landmark for UNDP in that it is the first year in which the field programme of UNDP has exceeded one billion dollars. It is the sixth year in a row in which IPF expenditures have increased. Of this amount, $846.8 million represented expenditures against IPF, $2.3 million represented expenditures in respect of add-on funds, $196.2 million for supplementary programmes in the UNDP Account, including $130.4 million for cost-sharing. The details of expenditure by agencies and source of funds are shown in annex table 6. IPF expenditure in 1990, exclusive of add-on expenditure, of $846.8 million represents an increase of $117.9 million or 16.2 per cent over 1989 i.e., $728.9 million. The 1990 IPF expenditures of $846.8 million are $31.8 million or 3.9 per cent higher than the target of $815 million established for the year. This increase in the level of expenditures is the result in part of the depreciation in the value of the dollar in relation to some currencies in which programme expenditures are made, which results in higher dollar expenditures in those currencies. Also, the ratio of expenditures to budgets increased in 1990, which may suggest that budgets were kept more up to date in many cases. The 1990 variation of 3.9 per cent compared with the forecast remains modest and within the range of expected fluctuations. At the end of 1990, the UNDP balance of resources was reduced from $523.2 million to $472.2 million. The continuing growth in programme expenditures and the decrease in the balance of resources reaffirm the effectiveness of the resource management processes introduced in the period 1986 to 1988 and confirm the reliability of the UNDP strategy to utilize the liquid resources available to the Programme in a sustainable manner.

D. Financial forecasts

10. Tables 1 and 2 above include the Administrator's forecasts of programme activities in 1991 and 1992. In the report of the Administrator on the annual review of the financial situation, 1989 (DP/1990/64 and Corr.1 and Add.1) the expenditure target for 1991 was established at $860 million. This target remains realistic, based on the current build-up of project budgets, and is also desirable: it would continue the trend of increasing expenditures, even though such increases are projected to be modest in the next few years, so as to ensure that the programme operates within available resources. The expenditure target for 1992, which is the first year of the fifth programming cycle, has also been established at $860 million. The Governing Council will recall that, with the exception of 1987, programme expenditures have been lower in the first year of each new cycle than in the last year of the previous cycle. This reduction in expenditures in the first year of a cycle is due primarily to delays in the approval of pipeline projects, pending the approval by the Council of new country programmes. The current level of project budgets for 1992 seems to indicate that attaining this target may not be easy and the Adminstrator is monitoring programme levels closely. Also, if the recent strengthening of the dollar continues, it will have an impact on the level of resources available to the Programme. Developments in this area will be subject to close scrutiny. The targets of $860 million of IPF expenditure for 1991 and 1992 would lead in any case to a substantial reduction in the liquid resources being held by UNDP. The balance of resources for the main programme are expected to be $419.7 million at the end of 1991 and $313.6 million at the end of 1992. It is emphasized again that expenditure targets remain subject to constant review so as to ensure that they are commensurate with the projected availability of resources over several years.

II. COST-SHARING ARRANGEMENTS

11. Total cost-sharing expenditure during the year amounted to $130.4 million, exclusive of support costs. Of this amount, $6 million related to Special Programme Resources (SPR)-funded projects. This is $15 million more than the forecast presented in document DP/1990/64. Of this amount, $106.7 million were expended as recipient government project cost-sharing, $1.3 million as recipient government programme cost-sharing and $22.4 million as third-party cost-sharing.

12. Annex table 8 (a) provides a country-by-country analysis of the 1990 income from cost-sharing contributions and annex table 8 (b) provides additional information on income received under third-party cost-sharing. A summary of annex table 8 (a) is given below:

	Millions of dollars
Project cost-sharing by recipient Governments	93.6
Recipient Government programme cost-sharing	5.2
Third-party cost-sharing	70.4
TOTAL	169.2

13. Table 6 below summarizes the movement in the balances of cost-sharing contributions held by UNDP in 1990.

Table 6. Status of cost-sharing contributions held by UNDP in 1990

(Millions of dollars)

Balance as at 31 December 1989			129.3
Cost-sharing income during 1990		169.2	
Cost-sharing expenditure during 1990	(130.4)		
Support cost thereon	(9.9)	(140.3)	28.9
Balance as at 31 December 1990			158.2

14. Cost-sharing contributions received at the end of March 1991 are slightly higher than contributions received at the end of March 1990 and an increase in cost-sharing expenditures from $130.4 million in 1990 to $145 million in 1991 can therefore be expected. Slightly lower expenditures of $140 million in 1992 are anticipated.

III. SPECIAL MEASURES FUND FOR THE LEAST DEVELOPED COUNTRIES

15. The balance of resources for this Fund as of 31 December 1989 was $43.6 million. An additional $12.8 million was pledged and paid during 1990. The expenditure for 1990 amounted to $17.3 million, $2.3 million more than anticipated. The balance of resources available as at 31 December 1990 was $39.0 million. All resources of the Fund will have been committed before the end of 1991. Anticipated expenditures in 1991 are $16 million, slightly less than the 1990 expenditures. The projected income to the Fund for 1991 and 1992 reflect the fact that most countries which have supported the Fund in the past have not pledged and some have indicated that a pledge should not be

anticipated. The balance of resources at the end of 1991 should decrease by $15.9 million in 1991 and a further $10.9 million in 1992. It is anticipated that the Fund's resources will have been spent by 1994, unless additional contributions are received. The Administrator will monitor this situation to ensure that commitments and expenditures remain within available resources.

16. As noted in paragraph 2, in light of decision 90/34, by which the Governing Council allocated a higher proportion of resources to LDCs, it may be appropriate to consolidate the SMF/LDC with the main programme resources of UNDP. The Administrator seeks the guidance of the Council in this respect. Table 7 below provides a summary of the SMF/LDC account for 1990.

Table 7. Status of the Special Measures Fund for the Least Developed Countries

		(Millions of dollars)
Balance as at 31 December 1989		43.6
Income received during 1990	12.8	
Expenditures during 1990	17.3	
	(4.5)	
Adjustment to prior year's expenditure	(0.1)	
Decrease in balance held		(4.6)
Balance as at 31 December 1990		39.0

IV. SPECIAL PROGRAMME RESOURCES

17. As reported previously, expenditures under the SPR have increased substantially in the past few years - from $11.1 million in 1987 to $20 million in 1988, to $34.1 million in 1989. In 1990, total SPR expenditures increased to $39.6 million, but $6 million of this amount has been charged against cost-sharing contributions, resulting in a net expenditure against the SPR of $33.6 million. A background paper prepared for the Governing Council at its special session in February 1991 provided details on the status of allocations and commitments against the SPR as of January 1991. Net expenditures against the SPR are expected to increase to $40 million in 1991. In accordance with decision 91/3, the Administrator is submitting for the Council's approval at its current session programming documents for subcategories of SPR funds for the fifth programming cycle (DP/1991/64). Commitments against fifth cycle SPR resources can be made only

subsequent to the approval by the Council of these documents or in the second half of 1991 at the earliest. With this delay in the build-up of commitments for 1992, SPR expenditures are unlikely to increase in 1992.

V. PLACEMENT OF UNDP FUNDS

18. For 1990, the return on UNDP investments was $188.4 million (17.5 per cent). This resulted from interest earnings of $105.4 million (9.8 per cent) plus an increase of $83.0 million (7.7 per cent) in the value of funds held by UNDP as a result of changes in exchange rates during 1990. The exchange gain noted above excludes losses of $22.8 million resulting from the devaluation of the dollar value of UNDP holdings of accumulating non-convertible currencies which are not a part of the UNDP investment portfolio. The 1990 return compares to a 1989 total return of $67.4 million (6.0 per cent), of which $102.0 million (9.5 per cent) was from interest earnings and a $34.6 million loss (3.2 per cent) resulted from the devaluation of funds held by UNDP, excluding $2.9 million of losses on accumulating non-convertible currencies.

19. Interest rates in the United States moved downward during the course of 1990, while interest rates in Europe and Japan generally rose, the net result being an increase in interest income in 1990 over 1989. The dollar meanwhile weakened substantially during the second half of 1990, leading to the significant gains on exchange noted above.

20. The results of fluctuations in exchange rate parities are attributed to the following:

(a) Non-dollar holdings in the Operational Reserve, which are invested in a basket of currencies: a gain of $14.8 million;

(b) Currencies held by UNDP in the currency of payment of the pledge for utilization in those currencies for operational purposes: a gain of $65.1 million;

(c) Holdings of accumulated non-convertible currencies: a loss of $22.8 million; and

(d) Realized gains or losses on exchange resulting from the conversion of currencies to meet operational needs: a gain of $3.1 million.

The analysis of the return on investment in 1990 is as shown in table 8 below. The composition of UNDP investment holdings as at 31 December 1990 are provided in annex table 7.

Table 8. Analysis of return on investment

(Millions of dollars)

	1989		1990	
Interest income		102.0		105.4
Exchange adjustments on revaluation of currency holdings:				
Operational Reserve	(7.2)		14.8	
Currencies held for operational purposes	(20.1)		65.1	
Subtotal	(27.3)		79.9	
Realized gains/(losses)	(7.3)		3.1	
Total exchange adjustments		(34.6)		83.0
Total return		$67.4		$188.4
Average Investment		$1 123.3		$1 076.6
Percentage return		6.0		17.5

VI. STATUS OF THE OPERATIONAL RESERVE

21. During 1990, the Operational Reserve was maintained at $200 million. The composition of the Operational Reserve as at 31 December 1990 is shown in the analysis of investments provided in annex table 7. It should be noted that the European Currency Unit (ECU) has been introduced as a component currency of the Reserve in 1990 and that by end 1991 the Reserve will be comprised of US dollars (55 per cent), ECU (35 per cent), Japanese yen (5 per cent) and Swiss francs (5 per cent). The Administrator believes that this structure will more closely reflect the actual disbursement pattern of UNDP and provide a greater degree of protection against foreign exchange fluctuations within the Operational Reserve.

22. In accordance with Governing Council decision 90/44 of 22 June 1990, the formula for determining the level of the Operational Reserve will be reinstituted on a modified basis at the beginning of the fifth cycle, i.e., in 1992. At that time, the level of the Reserve will be determined by applying a formula of 20 per cent of the estimated contributions or expenditures for that year, whichever may be higher, with the level being rounded off to the nearest $10 million. The present formula calls for the higher of 25 per cent of

estimated contributions or expenditure. This formula was waived by the Council for the fourth cycle and a fixed level of $200 million was maintained for the cycle.

VII. UTILIZATION OF ACCUMULATED NON-CONVERTIBLE CURRENCIES

23. UNDP holdings of accumulated non-convertible currencies amounted to $24.0 million as at 31 December 1990. This balance, as indicated in annex table 1, represents a net decrease of $22.7 million from 31 December 1989, and results from:

	(Millions of dollars)
Excess of receipts over disbursements	3.2
Less: Conversion of marks to deutsche marks	(3.1)
Less: Devaluation of holdings as a result of exchange rate changes	(22.8)
	(22.7)

24. As noted above, as a result of the accession of the German Democratic Republic to the Federal Republic of Germany, $3.1 million equivalent of marks was converted to deutsche marks. This transaction also resulted in a net loss of $2.9 million vis-à-vis mark holdings which is reflected in the amount recorded under devaluations. Other significant devaluations include those of Czechoslovakia ($1.4 million) and of the Soviet Union ($16.9 million).

25. Given the level of 1991 pledges and assuming constant exchange rates, it is projected that the holdings of these non-convertible currencies will amount to $29.4 million at 31 December 1991.

26. The balance of roubles held in the Trust Fund for the Training in the USSR of Specialists from the Developing Countries ($1.3 million) has been excluded from this presentation. The roubles held for this Trust Fund are reported separately in the balance sheet (table 2). The loss on devaluation on these funds ($2.4 million) is recorded in the Trust Fund.

VIII. AGENCY SUPPORT COSTS: FLEXIBILITY ARRANGEMENTS

27. In accordance with Governing Council decision 81/40 of 30 June 1981, executing agencies whose annual delivery does not exceed $15 million are eligible for support-cost flexibility. UNDP arrangements relating to reimbursement of support-cost flexibility are contained in detailed guidelines issued by the Administrator in January 1982 and appended to his report on support-cost flexibility arrangements (DP/1982/93) submitted to the Council at its twenty-ninth session (1982).

28. Annex table 2 shows a comparison of forecast and actual amounts relating to the delivery of UNDP-financed projects and associated support costs for the six specialized agencies which were expected to be eligible for support-cost flexibility in 1990. The World Meteorological Organization (WMO) was the only specialized agency whose delivery exceeded the $15 million limit; WMO is being reimbursed at the standard 13 per cent rate. The forecast of approximately $6.2 million for total support-cost reimbursement to these agencies was based on detailed data submitted by agencies early in 1990 for that year. By comparison, actual reimbursement for 1990, on a provisional basis, amounted to approximately $5.8 million and represents an average of 17 per cent of project expenditures for these agencies.

29. Estimates of 1991 project expenditures and related support-cost reimbursements for specialized agencies likely to be eligible for flexibility are provided in annex table 3. The table also shows a breakdown of the estimated 1991 total support-cost reimbursements as between the standard 13 per cent rate and the flexibility portion. For these agencies, taken as a group, UNDP is expected to provide support costs at an average of 18 per cent of estimated project expenditures, as compared with the standard 13 per cent for agencies under the normal arrangements. The table further indicates that the reimbursement to these agencies, including flexibility payments, is expected to finance an average of 42 per cent of the total costs which agencies expect to incur in support of UNDP-financed projects. The remaining 58 per cent will be met by agencies from sources other than UNDP.

IX. RESERVE FOR FIELD ACCOMMODATION AND RELATED MATTERS

30. The status of the Reserve for Field Accommodation (RFA) as at 31 December 1990 is presented in annex tables 4 (a) and 4 (b). The total of reserve funds disbursed less repayments as at 31 December 1990 was $13,496,516, consisting of:

	Dollars
Balance of outstanding loans	4 642 633
Work in progress	7 781 524
Household Appliances Rental Scheme (HARS)	844 596
Repairs and rehabilitation	227 763
	13 496 516

31. Work in progress consists of the construction of UNDP office and housing accommodations under either the investment or government loan modalities. The sum of $8,910,000 has been committed as loans to Governments and $12,005,000 for direct UNDP investment. An additional amount of $1,503,500 has been committed on the above loans and commitments to cover cost overruns and finishing and landscaping of both offices and housing units. From these commitments, $7,781,524 has been disbursed, leaving the balance of commitments at $14,636,976. Agreements which have been approved but not yet signed as at 31 December 1990 will commit an additional $2,000,000 for loans and $3,300,000 for UNDP investment.

32. HARS, under the approval granted by Governing Council decision 87/42 of 19 June 1987, also operates as a revolving fund to purchase appliances which are rented to eligible UNDP and United Nations Population Fund (UNFPA) international staff members. As at 31 December 1990, a total of $1,046,626 has been spent to purchase 126 stoves, 136 refrigerators, 115 freezers, 333 air-conditioners and 61 generators in a total of 47 countries. Rental income of $219,725 has been received in respect of these appliances; repairs and maintenance of existing appliances amounted to $17,695. It should be noted that at the present level, income of $155,043 is projected for 1991. However, more requests have been received from the field offices to rent appliances, especially generators, in Africa and Asia. It is the intention of the Administrator to increase the ceiling of the revolving fund to $850,000 to ensure that such requests can be met within the authorized level.

33. By paragraph 6, section A, of its decision 88/45 of 1 July, the Governing Council approved the Administrator's proposals in respect of the Reserve for Field Accommodation; an amount of $2.2 million was committed for rehabilitation works. Work has commenced on the rehabilitation of housing units for which expenditures amounted to $1,290,468. Rental income received in respect of rehabilitated houses amounted to $1,062,705, thereby resulting in a net expenditure of $227,763. It should be noted that the rehabilitation of homes in Lesotho previously scheduled in 1990 has now been cancelled in favour of new construction, because the present units have deteriorated to a level where it will be too costly to rehabilitate them. The Government has allocated land for the construction of new units; this will reduce the required level of commitment to $1.55 million instead of the original authorized level of $2.2 million. As can be seen in annex table 4 (b), the loan under which the existing units were constructed has been fully paid and the Government will be taking them over as and when the new units are constructed.

34. It will be recalled that by paragraph 4 of its decision 89/57 of 30 June 1989, the Governing Council authorized the Administrator to overcommit the RFA by up to $10 million, while ensuring that funds disbursed from the reserve at any time do not exceed $25 million. The situation as at 31 December 1990 reflected in annex table 4 (a) is as follows: outstanding loans, actual disbursements for existing construction loans, HARS and housing rehabilitation total $13,496,516; existing commitments on works in progress is $14,636,976; agreements awaiting signature total $5,300,000; and commitments

on ongoing housing rehabilitation is $1,322,237. Total commitments of the Reserve as of 31 December 1990 amount to $34,755,729.

35. The above figures do not include requests for the construction of office premises in Bangladesh, Brazil, Central African Republic, Haiti, Nigeria, Pakistan and Zaire. The construction of office premises in these countries is estimated at $38 million. The Administrator has recognized, however, that these requests cannot be accommodated under the RFA. Instead, possibilities are being explored to obtain financing from the private sector under an arrangement whereby the Governments will donate land to UNDP which, in turn, will lease the land to companies to construct the office premises which will be leased to UNDP on a long-term basis. At the end of the lease, ownership will revert to specialized agencies of the United Nations system utilizing the facility. The office space, thereafter, will be rent-free; future maintenance, however, will be prorated according to the space occupied by each agency, with UNDP responsible for the management of the office premises. In the case of Zaire, negotiations are now under way with a firm in the private sector to construct the office premises under the modality described above.

36. Finally, it should be noted that where office premises are concerned, the cost of construction of such premises, whether financed from the RFA or the private sector under the lease/buy back option, is being borne on a proportionate cost-sharing basis by members of the Joint Consultative Group on Policy (JCGP) established in 1981, and as mandated in General Assembly resolution 42/196 of 11 December 1987. Examples of such sharing of costs where actual construction is under way are those in Somalia and Zambia. Similar sharing of costs will be applied on all future construction, thus lessening the financial burden placed on UNDP.

X. MANAGEMENT AND OTHER SUPPORT SERVICES

37. Management services agreements are funded by four sources: loans from the International Fund for Agricultural Development (IFAD); loans from other international development banks such as the World Bank and the Inter-American Development Bank (IDB); grants from bilateral donors; and funding from the recipient country's national budget. As of the end of 1990, OPS was providing services under 155 agreements whose expenditures (including IFAD drawdown of $36 million) totalled $144 million. A schedule of agreements entered into or increased in 1990 is provided in annex tables 9 (a) and 9 (b).

38. Five new management services agreements under multilateral funding valued at $5.8 million and three increases to existing agreements worth $6 million were entered into during 1990. With the addition of these new agreements, there were as of December 1990, 34 projects financed by IDB, World Bank and International Development Association (IDA) loans with an OPS budget of $87 million.

39. Bilateral funding worth $106 million accounted for 18 new management services agreements in 1990, bringing the total to 53. In addition to eight

new agreements under the procurement of commodities programme financed by Japan, new projects were initiated with funding from Denmark, Finland, Sweden, the Netherlands and the United States. The additional commitments under Japanese untied funding of $82 million for the commodities procurement programme accounts for over three quarters of the total value of new bilateral agreements.

40. The IFAD portfolio has also expanded by 14 new projects during 1990, with budgets totalling $186 million. OPS undertakes loan administration and project supervision for the IFAD programme but does not directly manage the loan amounts which, therefore, do not pass through OPS accounts. As of December 1990, a total of 65 IFAD projects were under OPS supervision in 42 countries.

41. As requested by the Governing Council in its decision 88/54 of 1 July 1988, the Administrator submitted to the Council at its thirty-seventh session (1990) the first of his biennial reports on the review of the experience gained in the provision of management services (DP/1990/67). After describing the status and growth of management services operations, the report addressed the concerns expressed by the Council at its thirty-sixth session by demonstrating that the multilateral character of UNDP is not being compromised by management services, support costs are being fully recovered, and UNDP involvement enhances field level coordination of development assistance.

42. The Governing Council reiterated its previous support for OPS to engage in management services and also endorsed the provision of management services through funding from a recipient country's national budget, as had been introduced in Bolivia during 1988. Although no new agreements under government funding were entered into during 1990, several Governments have indicated their interest in such services. It is expected that agreements funded from national budgets will be used more frequently in the future.

XI. TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR IN 1990

43. Financial regulation 5.1, which the Governing Council adopted by its decision 81/28 of 30 June 1981, gives the Administrator the authority to establish trust funds for specified purposes consistent with the policies, aims and activities of UNDP. A brief description and summary information on all trust funds established in 1990 is provided in annex table 10 (a). Information on individual projects financed by the Union of Soviet Socialist Republics/UNDP Trust Fund for Training in the USSR of Specialists from Developing Countries is contained in annex table 10 (b).

44. In accordance with Regulation 5.1, the Administrator submitted information on trust funds established by him in 1990, to the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

XII. EX-POST FACTO REPORTING

45. The Governing Council, in paragraph 3 of its decision 90/50 of 22 June 1990, requested the Administrator to present a draft of a report which would provide accurate information on actual support costs incurred, by source of funds, to the Council for its consideration at the thirty-eighth session.

46. The matter has been discussed with the executing agencies on several occasions during the past year, including the March 1991 meeting of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ(FB)). Since discussions on the successor arrangements for support costs had not been completed at that time, it was not considered possible to agree on an appropriate report format. Members of the Committee did, however, discuss guidelines which might be used in designing such a report.

XIII. CHANGES TO THE FINANCIAL REGULATIONS

47. In decision 90/48 of 22 June 1990, the Governing Council invited the Board of Auditors to issue a special report for the first year of each biennium through ACABQ if in the opinion of the Board there are matters which need to be brought to the attention of the Governing Council, and, if appropriate, to the General Assembly. The Administrator was requested to determine whether the Financial Regulations would need to be amended in light of the Council's decision. The matter has been discussed with members of the Board of Auditors and it has been decided that no amendment to the Financial Regulations is required as a result of the Council's decision. Existing regulations provide sufficient authority for the Board to respond to the Council's invitation if it is considered appropriate by the Board.

XIV. REQUESTS FOR ADDITIONAL SUPPORT COST REIMBURSEMENT

48. In its decision 81/40 of 30 June 1981, the Governing Council provided a formula for the payment of additional support costs in the event of a significant weakening of the dollar vis-à-vis the currency of an agency's headquarters' location. However, it limited the application of this formula to those agencies which are not eligible for support-cost flexibility arrangements. Agencies may request from the Council, through the Administrator, compensation for proven exchange losses in respect of support-cost reimbursement, provided that the total amount of such reimbursement does not exceed 14 per cent of its UNDP-funded project expenditures for the year in question.

A. Request from the United Nations Industrial Development Organization (UNIDO)

49. UNDP has received a requst from UNIDO for application of the formula on the basis of the significant weakening of the dollar vis-à-vis the Austrian schilling, the currency of UNIDO headquarters location. The average Austrian schilling exchange rate appreciated by 15.4 per cent during 1989/90. Documentation received from UNIDO is attached as annex II. The Administrator supports this request on the basis of the information provided.

B. Requests for additional support cost reimbursement from the World Meteorological Organization

50. WMO has submitted two requests concerning reimbursement of support costs: application of the formula cited above; and an ad hoc request for the retroactive reimbursement of support costs in view of exchange rate changes in the past.

51. The first request is submitted on the same basis as that of UNIDO. WMO was not previously eligible for application of the formula in that its support costs were reimbursed under the flexibility arrangements agreed for agencies having expenditures under $15 million. In 1990, WMO expenditures exceeded $15 million so that it received only 13 per cent of expenditures as reimbursement of its support costs. It is now, however, eligible for application of the formula related to exchange rate changes. The average exchange range of the Swiss franc, which is the currency of WMO headquarters location, appreciated by 14.1 per cent during 1989/90.

52. The second request is similar to one presented to the Governing Council in 1987. At that time, WMO requested the Governing Council to provide additional support cost reimbursement to compensate for deficits it was experiencing in view of the weakening value of the dollar vis-à-vis the Swiss franc. The Council, in paragraph 3, part III of decision 87/49 of 19 June 1987, authorized the Administrator to make an additional retroactive reimbursement of support costs to WMO for the years 1981 to 1986, since the Council agreed that previous reimbursements excluded some costs allowable for reimbursement. UNDP paid WMO an amount of $364,164 in accordance with the terms of that decision. In 1988, in its decision 88/52, the Council approved a special ad hoc reimbursement of support costs to European-based organizations to compensate for the effect of exchange rate changes in 1987. WMO received $312,000 as a result of that decision.

53. Documentation supporting these requests is provided in annex III. The request for application of the formula for exchange rate changes is consistent with the Governing Council's decision in this respect. While the Administrator recognizes the difficulties experienced by WMO as a result of the decrease in the value of the dollar over an extended period, he is reluctant to recommend to the Council that an exception be made to its decisions 80/44 of 27 June 1980 and 81/40 of 30 June 1981, which were reaffirmed in decision 87/49 of 19 June 1987.

Annex I
TABLES

Annex table 1. Status of accumulated non-convertible currencies as at 31 December 1990
(Thousands of United States dollars)

	Balance as at 31 Dec. 89 a/	Balance as at 31 Dec. 90 a/	Estimated 1991 receipts a/ b/	Estimated 1991 disbursements c/	Estimated balance as at 31 Dec. 91
Albania	297	154	13	-	167
Bulgaria	2 697	2 040	610	73	2 577
Cuba	7 278	9 164	1 978	337	10 805
Czechoslovakia	2 637	785	667	272	1 180
German Democratic Republic d/	5 478	-	-	-	-
Poland e/	45	-	-	-	-
Romania	2 367	1 172	277	106	1 343
USSR f/	25 929	10 663	1 851	467	13 303
Total	46 728	23 978	5 396	1 255	29 375

a/ Based on United Nations rate of exchange in effect 31 December of indicated year.

b/ Non-convertible portion only.

c/ Based on 1990 utilization.

d/ Balance liquidated following the accession of the German Democratic Republic to the Federal Republic of Germany.

e/ For comparison purposes only. The Polish Zloty is no longer accumulating.

f/ Includes Byelorussian and Ukrainian SSR. Excludes the Trust Fund for the Training in the USSR of Specialists from the Developing Countries.

/...

Annex table 2. Agency support costs in 1990 under flexibility arrangements: forecasts versus actual for 1990 a/

(Thousands of US dollars)

		IAEA	IMO	UPU	WIPO	WMO	WTO	Total for all agencies
1.	Delivery of UNDP-financed projects							
	Forecast	2 400	6 000	3 300	3 300	14 500	4 500	34 000
	Actual	2 850	5 394	3 089	2 826	16 796	2 608	33 563
2.	Standard support costs							
	Forecast	312	780	429	429	1 885	585	4 420
	Actual	354	701	402	367	2 169	339	4 332
3.	Flexibility requirement							
	Forecast	216	360	297	297	215	405	1 790
	Actual	256	399	278	254	0	235	1 422
4.	Total support costs (item 2 + item 3)							
	Forecast	528	1 140	726	726	2 100	990	6 210
	Actual	610	1 100	680	621	2 169	574	5 754
5.	Percentage of total support costs to programme delivery (item 4/item 1)							
	Forecast	22%	19%	22%	22%	15%	22%	18%
	Actual	21%	20%	22%	22%	13%	22%	17%

a/ Prepared in accordance with decision 81/40.

Annex table 3. Forecasts of 1991 agency support costs under flexibility arrangements a/

(Thousands of US dollars)

	IAEA	IMO	UPU	WIPO	WMO b/	WTO	Total for all agencies
1. Estimated delivery of UNDP-financed project	2 500	5 000	3 300	2 800	15 000	3 809	32 409
2. Standard support cost at 13 per cent	325	650	429	364	1 950	495	4 213
3. Flexibility requirement	225	450	297	252	150	343	1 717
4. UNDP-reimbursable support costs on UNDP-financed projects (item 2 + item 3)	550	1 100	726	616	2 100	838	5 930
5. Percentage of UNDP reimbursable support costs to delivery of UNDP-financed projects (item 4/item 1)	22%	22%	22%	22%	14%	22%	18%
6. Total agency support costs on UNDP-financed projects	1 266	2 964	1 761	921	5 729	1 523	14 164
7. Percentage of UNDP-reimbursable support costs to agency's total support costs on UNDP-financed projects (item 4/item 6)	43%	37%	41%	67%	37%	55%	42%

a/ Prepared in accordance with decision 81/40.

b/ WMO estimate

Annex table 4 (a). Summary of status of the Reserve for Field Accommodation

(United States dollars)

Authorized level of reserve		25 000 000
Less: Outstanding loans	4 642 633 A/	
Works in progress	7 781 524 B/	
HARS	844 596 C/	
Repairs/rehabilitation	227 763 D/	13 496 516
Balance of reserve		11 503 484
Balance of reserve		11 503 484
Less: Committed and under construction	14 636 976 B/	
Repairs/rehabilitation	1 322 237 D/	
		15 959 213
Uncommitted balance of reserve		(4 455 729)
Less: Agreements awaiting signature :		
Loans/investments	5 300 000 E/	
		5 300 000
Balance of reserve		(9 755 729)

Note: The alphabetical references correspond to the detailed analysis provided in annex table 4 (b).

Annex table 4 (b). Status of the Reserve for Field Accommodation
(United States dollars)

A. Amortized construction loans to governments

Borrower	Repayment period of loan	Balances as at 31 Dec. 1989	Repayments received in 1990	Balances as at 31 Dec. 1990	Analysis of Loan Balance due for 1990 & prior years	Analysis of Loan Balance Due in future years
Angola	1984/1999	1 511 495	72 478	1 439 017	-	1 439 017
Burundi						
Phase I	1976/1991	22 681	22 681	0	-	0
Phase II	1988/2003	997 187	-	997 187	-	997 187
Equatorial Guinea	1988/2003	656 761	36 931	619 830	-	619 830
Lesotho	1976/1990	50 601	50 217	384	384	0
Malawi						
Phase I	1975/1990	9 328	9 328	0	-	0
Phase II	1976/1991	21 868	14 870	6 998	-	6 998
Phase III	1980/1995	31 224	3 900	27 324	-	27 324
Phase IV	1988/2002	856 640	48 171	808 469	-	808 469
Swaziland	1976/1990	55 510	55 510	0	-	0
Yemen	1984/1999	817 360	73 936	743 424	-	743 424
		5 030 655	388 022	4 642 633	384	4 642 249

B. Works in progress: Construction loans/investment in housing

Country	Government loan commitment	UNDP investment commitment	Additional commitment	Total commitment	Disbursed	Balance of commitment
Angola	1 500 000	-	-	1 500 000	15 785	1 484 215
Cape Verde	660 000	1 320 000	-	1 980 000	190 855	1 789 145
Comoros	600 000	1 800 000	-	2 400 000	284 273	2 115 727
Ghana	-	660 000	-	660 000	241 881	418 119
Guinea Bissau	660 000	1 320 000	-	1 980 000	176 189	1 803 811
Maldives	1 000 000	-	-	1 000 000	59 860	940 140
Mozambique	-	1 100 000	-	1 100 000	110 959	989 041
Namibia	-	450 000	3 500	453 500	453 478	22
Sao Tome and Principe	660 000	1 320 000	-	1 980 000	185 942	1 794 058
Somalia	-	1 265 000	-	1 265 000	131 696	1 133 304
Uganda	500 000	2 000 000	-	2 500 000	2 417 675	82 325
Viet Nam	1 900 000	-	-	1 900 000	248 907	1 651 093
Zambia	1 430 000	770 000	1 500 000	3 700 000	3 264 024	435 976
Subtotal	8 910 000	12 005 000	1 503 500	22 418 500	7 781 524	14 636 976

C. Household Appliances Rental Scheme

Country	Authorized level	Disbursement	Income	Net disbursed	Balance available
Various	750 000	1 064 321	219 725	844 596	94 596

D. Repairs and rehabilitation of housing

Country	Authorized level	Disbursement	Income	Net disbursed	Balance available
Various	650 000	830 713	996 924	(166 211)	422 237
Guinea	500 000	55 016	33 234	21 782	500 000
Tanzania	400 000	404 739	32 547	372 192	400 000
	1 550 000	1 290 468	1 062 705	227 763	1 322 237

E. Agreements awaiting signature

Country	Government loan commitment	UNDP investment commitment	Total commitment
Burundi	1 000 000	-	1 000 000
Gambia	500 000	-	500 000
Guyana	-	500 000	500 000
Laos	-	800 000	800 000
Lesotho	-	1 000 000	1 000 000
Sierra Leone	-	1 000 000	1 000 000
Viet Nam	-	500 000	500 000
	1 500 000	3 800 000	5 300 000

Annex table 5. Contributions outstanding as at 31 December 1990 for 1990 and prior years

(United States dollars)

Country or organization	Voluntary contributions	Voluntary programme costs	Special Measures Fund for the Least Developed Countries	Government cash counterpart contributions	Cost-sharing	Total
Afghanistan	71 400	-	-	-	55 000	126 400
African Development Bank	-	-	-	-	400 000	400 000
Albania	3 373	-	-	-	-	3 373
Algeria	-	-	-	342 454	4 526 635	4 869 089
Angola	2 000	-	-	-	-	2 000
Antigua and Barbuda	-	99 713	-	-	-	99 713
Arab Fund for Economic and Social Development	-	-	-	-	871 528	871 528
Arab Gulf Programme for United Nations Development Organizations	-	-	-	-	1 388 164	1 388 164
Arab Labour Organization	-	-	-	-	146 930	146 930
Argentina	2 956 291	-	-	-	40 720 046	43 676 337
Australia	-	-	-	-	41 744	41 744
Bahrain	-	-	-	-	1 334	1 334
Barbados	14 850	-	-	-	8 500	23 350
Belgium	-	-	-	-	16 950	16 950
Belize	-	-	-	-	270	270
Benin	-	-	1 500	-	1 829 892	1 831 392
Bolivia	137 200	-	-	471 853	835 811	1 444 864
Botswana	-	-	-	-	758 477	758 477
Brazil	1 668 929	-	-	1 030 823	2 841 352	5 541 104
Brunei Darusallam	698	-	-	-	-	698
Bulgaria	256 318	18 051	-	-	-	274 369
Burkina Faso	29 602	-	-	-	-	29 602
Burundi	31 875	-	-	-	-	31 875
Cambodia	1 455	-	-	-	-	1 455
Cameroon	597 610	498 008	-	308 403	1 660 306	3 064 327
Canada	-	-	-	-	1 744 846	1 744 846
Cape Verde	5 000	-	-	-	5 600	10 600
Cayman Islands	-	-	-	-	160 000	160 000
Central African Republic	7 378	-	4 387	-	-	11 765
Chad	39 920	-	-	-	-	39 920
Chile	660 000	640 000	-	-	678 972	1 978 972
China	-	-	-	-	1 618 565	1 618 565
Colombia	-	-	-	987 136	2 950 406	3 937 542
Comoros	2 000	-	-	-	-	2 000
Congo	243 028	-	-	-	686 985	930 013
Cook Islands	-	-	-	-	122 734	122 734
Costa Rica	-	-	-	-	56 985	56 985
Côte d'Ivoire	-	-	-	-	696 100	696 100
Cyprus	-	-	-	-	60 638	60 638
Czechoslovakia	116 525	-	-	-	-	116 525
Denmark	-	-	-	-	199 000	199 000
Djibouti	-	-	-	62 147	-	62 147
Dominica	18 519	10 175	-	-	266 060	294 754
Dominican Republic	236 972	-	-	-	558 606	795 578
Ecuador	122 035	-	-	155 177	3 544 267	3 821 479
Egypt	-	-	-	2 024 344	1 471 389	3 495 733
El Salvador	-	-	-	-	611 722	611 722
Equatorial Guinea	-	-	-	-	144 177	144 177
Fiji	5 390	-	-	-	59 620	65 010

Annex table 5 (continued)

Country or organization	Voluntary contributions	Voluntary programme costs	Special Measures Fund for the Least Developed Countries	Government cash counterpart contributions	Cost-sharing	Total
Gabon	-	-	-	274 287	1 117	275 404
Gambia	2 857	-	-	-	-	2 857
Ghana	-	-	-	-	253 560	253 560
Germany, Federal Republic of	-	-	-	-	261 871	261 871
Greece	-	-	-	89 903	-	89 903
Grenada	3 000	57 051	500	-	1 187	61 738
Guatemala	756 000	-	-	23 697	1 039 192	1 818 889
Guinea Bissau	-	-	-	-	107 172	107 172
Guyana	430	-	-	-	-	430
Haiti	-	-	-	-	349 934	349 934
Honduras	13 889	-	-	226 415	424 268	664 572
Iceland	39 575	-	-	-	-	39 575
Indonesia	-	-	-	-	223 465	223 465
Inter-American Development Bank	-	-	-	-	41 594	41 594
International Finance Corporation	-	-	-	-	126 246	126 246
International Telegraphic Union	-	-	-	-	21 000	21 000
Iran, Islamic Republic of	-	-	-	2 152	65 526	67 678
Iraq	-	-	-	-	163 233	163 233
Israel	167 785	-	-	-	-	167 785
Italy	43 408 072	-	-	-	-	43 408 072
Jamaica	-	-	-	46 217	232 388	278 605
Japan	-	-	-	-	83 212	83 212
Jordan	50 520	-	-	-	12 896	63 416
Kenya	138 821	-	-	886	226 565	366 272
Kuwait	570 000	-	-	-	1 034 229	1 604 229
Lesotho	-	-	1 279	-	-	1 279
Liberia	239 450	-	-	-	-	239 450
Libyan Arab Jamahiriya	1 000 000	-	-	-	2 908 513	3 908 513
Madagascar	-	-	-	-	57 757	57 757
Malawi	-	-	-	-	139 000	139 000
Malaysia	-	-	-	10 592	-	10 592
Mali	3 000	-	-	578 267	110 000	691 267
Marshall Islands	-	-	-	-	32 205	32 205
Mauritania	-	52 951	-	-	-	52 951
Mexico	-	-	-	-	353 218	353 218
Morocco	-	-	-	134 054	156 195	290 249
Mozambique	8 750	-	-	415	300 000	309 165
Nepal	63 250	-	-	-	4 393	67 643
Netherlands	-	-	-	-	4 783 475	4 783 475
Nicaragua	-	68 948	-	-	85 809	154 757
Niger	6 000	-	1 500	-	-	7 500
Nigeria	90 439	-	-	160 677	184 091	435 207
Non-governmental organizations	-	-	-	-	600 000	600 000
Oman	-	-	-	283 763	596 625	880 388
Pakistan	-	-	-	368 037	-	368 037
Papua New Guinea	29 304	-	-	-	123	29 427
Paraguay	75 000	-	-	5 388	265 715	346 103
Peru	600 000	-	-	-	1 821 284	2 421 284
Philippines	45 771	-	-	-	419 361	465 132
Poland	-	-	-	859	225 378	226 237

Annex table 5 (continued)

Country or organization	Voluntary contributions	Voluntary programme costs	Special Measures Fund for the Least Developed Countries	Government cash counterpart contributions	Cost-sharing	Total
Portugal	303 271	-	-	-	-	303 271
Qatar	-	-	-	-	293 563	293 563
Republic of Korea	638 282	-	-	-	16 692	654 974
Romania	10 000	-	-	-	-	10 000
Rwanda	-	-	-	-	146 900	146 900
Saint Kitts and Nevis	-	27 845	-	-	-	27 845
Saint Lucia	-	-	-	-	71 216	71 216
Saint Vincent and the Grenadines	-	69 120	-	-	62 467	131 587
Samoa	-	-	-	-	113 549	113 549
Sao Tome and Principe	-	-	-	-	50 777	50 777
Saudi Arabia	3 500 000	-	-	566 673	1 580 056	5 646 729
Senegal	613 094	-	-	105 227	1 000 000	1 718 321
Sierra Leone	-	-	14	-	17 955	17 969
Solomon Islands	15 000	-	-	-	-	15 000
Somalia	413	-	32	37 146	-	37 591
Sri Lanka	-	-	-	-	88 008	88 008
Sudan	594 432	-	-	810 191	285 000	1 689 623
Suriname	55 000	-	-	-	-	55 000
Swaziland	9 690	-	-	-	-	9 690
Sweden	-	-	-	-	370 078	370 078
Switzerland	23 228 346	-	-	-	175 000	23 403 346
Thailand	-	-	1 000	-	77 307	78 307
Togo	3 984	-	797	79 681	-	84 462
Trinidad and Tobago	94 118	-	-	-	-	94 118
Tunisia	-	-	-	-	34 241	34 241
Turkey	-	-	-	16 727	438 920	455 647
Trust Territory of the Pacific Islands	-	-	-	-	3 938	3 938
Uganda	-	-	-	-	205 300	205 300
United Arab Emirates	-	-	-	-	964 055	964 055
United Kingdom of Great Britain and Northern Ireland	-	-	-	-	434 331	434 331
UNICEF	-	-	-	-	733 199	733 199
HABITAT	-	-	-	-	235 055	235 055
UNEP	-	-	-	-	259 180	259 180
UNHCR	-	-	-	-	87 894	87 894
UNIDO	-	-	-	-	333 900	333 900
UNFPA	-	-	-	-	12 949	12 949
United Republic of Tanzania	-	2 551	-	-	5 250	7 801
United States of America	2 752 000	-	-	-	4 247 573	6 999 573
Uruguay	-	-	-	-	1 413 809	1 413 809
Vanuatu	-	-	-	-	238	238
Venezuela	-	-	-	13 475	821 593	835 068
Viet Nam	18 996	-	-	-	-	18 996
World Bank	-	-	-	-	52 034	52 034
Yugoslavia	806 326	-	-	-	-	806 326
Zaire	100 000	-	-	-	-	100 000
Zambia	7 405	-	-	-	200 950	208 355
TOTAL	87 290 638	1 544 413	11 009	9 217 066	104 284 385	202 347 511

Annex table 5 (continued)

Aging of contributions

	Voluntary contributions	Special Measures Fund for the Least Developed Countries	Cost-sharing	Government cash counterpart contributions	Total
1986 and prior years	3 203 058	14	1 851 432	1 419 393	6 473 897
1987	762 660	-	1 793 563	424 044	2 980 267
1988	1 625 655	3 613	12 017 008	1 558 780	15 205 056
1989	5 843 243	403	22 815 955	963 999	29 623 600
1990	77 400 435	6 979	65 806 427	4 850 850	148 064 691
Total	88 835 051	11 009	104 284 385	9 217 066	202 347 511

Annex table 6. 1990 expenditure by agency:

Programme expenditure for the twelve months ended 31 December 1990

(Thousands of United States dollars)

Agency	Indicative planning figures					Indicative planning figure add-on funds	Special Programme Resources	Special Industrial Services	Special Measures Fund for the Least Developed Countries	Government cash counterpart contributions	Subtotal	Programme support costs	Total
	Country	Regional	Inter-Regional	Global	Total								
United Nations	108 122	5 523	525	-	114 170	-	775	-	2 722	1 681	119 348	15 114	134 462
ECA	-	7 341	-	-	7 341	-	675	-	-	-	8 016	1 042	9 058
ECE	-	451	-	-	451	-	-	-	-	-	451	59	510
ECLAC	-	1 526	-	-	1 526	-	354	-	-	-	1 880	245	2 125
ESCWA	-	58	-	-	58	-	-	-	-	-	58	7	65
ESCAP	-	7 222	-	-	7 222	-	454	-	-	-	7 676	998	8 674
UNIDO	84 834	3 793	-	-	88 627	-	(5)	5 218	425	393	94 658	12 274	106 932
UNCTAD	4 181	9 727	1 041	-	14 949	-	412	-	1 359	60	16 780	2 187	18 967
UNCHS	17 697	302	-	-	17 999	-	1 031	-	1 612	-	20 642	2 683	23 325
ILO	61 523	4 103	119	-	65 745	-	384	-	831	481	67 441	8 724	76 165
FAO	157 837	13 171	939	8	171 955	-	2 021	-	1 396	2 376	177 748	22 866	200 614
UNESCO	26 071	6 173	63	-	32 307	-	(1)	-	660	120	33 086	4 223	37 309
ICAO	26 583	4 943	842	-	32 368	-	190	-	-	1 112	33 670	4 232	37 902
WHO	13 754	3 282	1 878	5 504	24 418	-	506	-	23	26	24 973	2 878	27 851
WORLD BANK	39 764	15 556	14 741	3 292	73 353	-	1 359	-	619	1 789	77 120	8 349	85 469
IFC	540	5 456	352	-	6 348	-	-	-	10	-	6 358	699	7 057
UPU	2 638	449	-	-	3 087	-	2	-	-	-	3 089	680	3 769
ITU	17 404	9 136	-	-	26 540	-	481	-	190	69	27 280	3 440	30 720
WMO	12 816	3 951	29	-	16 796	-	-	-	-	46	16 842	2 169	19 011
IMO	2 675	2 537	150	-	5 362	-	32	-	-	-	5 394	1 100	6 494
WIPO	1 150	1 674	-	-	2 824	-	-	-	-	-	2 824	622	3 446
IAEA	1 594	1 130	-	-	2 724	-	-	-	-	1	2 725	610	3 335
ITC	10 194	5 676	1 093	-	16 963	-	-	-	314	(1)	17 276	2 244	19 520
WTO	2 096	428	-	-	2 524	-	1	-	83	-	2 608	574	3 182
AfDB	-	1 152	-	-	1 152	-	-	-	-	-	1 152	150	1 302
AsDB	11 753	-	-	-	11 753	-	-	-	501	-	12 254	1 619	13 873
IMF	1 253	52	-	-	1 305	-	-	-	-	-	1 305	170	1 475
AFESD	-	712	-	-	712	-	-	-	-	-	712	-	712
GOVERNMENTS	112 647	5 036	-	-	117 683	1 323	4 124	-	1 995	586	125 711	2 028	127 739
UNV	10 878	2 270	18	-	13 166	-	251	-	598	370	14 385	-	14 385
UNDP	62 741	15 089	3 262	8 389	89 481	986	26 591	-	4 185	637	121 880	26 085	147 965
Current year expenditure (inclusive of cost-sharing)	790 745	137 919	25 052	17 193	970 909	2 309	39 637	5 218	17 523	9 746	1 045 342	128 071	1 173 413
Charged to: Source of funds as per column heading	679 552	130 192	20 254	16 790	846 788	2 309	33 604	5 218	17 327	9 746	914 992	118 143	1 033 135
Cost-sharing	111 193	7 727	4 798	403	124 121	-	6 033	-	196	-	130 350	9 928	140 278
Current year expenditure (inclusive of cost-sharing)	790 745	137 919	25 052	17 193	970 909	2 309	39 637	5 218	17 523	9 746	1 045 342	128 071	1 173 413
Adjustments to prior years (net)											(2 155)	(51)	(2 206)
Total inclusive of cost-sharing											1 043 187	128 020	1 171 207

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Annex table 7. UNDP investments as at 31 December 1990

(United States dollars)

Currency	Total amount by currency	Investments are comprised of: General resources	Subsidiary programmes	Operational reserve a/	Reserve for field accommodation
Australian dollars	12 742 308	12 742 308			
Austrian schillings	122 875	122 875			
Belgian francs	24 599 198	18 599 198	6 000 000		
Canadian dollars	39 716 028	17 716 028	12 000 000	10 000 000	
Danish kroner	63 471 411	51 471 411	12 000 000		
Deutsche marks	51 366 879	36 499 576		14 867 303	
European Currency Unit	39 392 051	0		39 392 051	
Finnish markka	8 774 126	8 774 126			
French francs	72 540 717	72 540 717			
CFA francs (Gabon)	1 183 267	1 183 267			
Hungarian forints	297 643	297 643			
Icelandic kronur	464 368	464 368			
Irish pounds	384 956	384 956			
Israeli new shekels	104 398	104 398			
Italian lire	76 031 732	46 031 732	30 000 000		
Japanese yen	91 581 505	46 581 505	35 000 000	10 000 000	
Netherlands guilders	63 209 695	45 469 049	12 000 000	5 740 646	
New Zealand dollars	119 980	119 980			
Norwegian kroner	36 951 791	30 951 791	6 000 000		
Pounds sterling	41 565 583	41 565 583			
Spanish pesetas	7 157 895	7 157 895			
Swedish kronor	60 790 561	54 790 561	6 000 000		
Swiss francs	30 262 357	14 262 357	6 000 000	10 000 000	
United States dollars	471 076 735	142 506 300	207 066 951	110 000 000	11 503 484
TOTAL	1 193 908 059	650 337 624	332 066 951	200 000 000	11 503 484

a/ In its October 1990 session, the UNDP Investment Committee decided to change the composition of the UNDP Operational Reserve to the following: (in thousands of dollars equivalent) Dollars: 110,000; ECU: 70,000; Japanese yen: 10,000; and Swiss francs: 10,000. Based on this decision, by year-end total UNDP ECU holdings reached ECU 29,625,000.Existing Canadian dollar, Deutsche mark and Netherlands guilder securities which had been part of the Operational Reserve will be replaced with ECU securities in order to bring ECU holdings to the required level of $70 million equivalent.

Annex table 8 (a) Income received under cost-sharing arrangements, recipient countries

(Thousands of United States dollars)

Country or territory	Project cost-sharing received in 1990	Project cost-sharing cumulative total	Programme cost-sharing received in 1990	Programme cost-sharing cumulative total	Third-party cost-sharing received in 1990	Third-party cost-sharing cumulative total
Afghanistan	500	3 010	-	-	-	580
Algeria	1 119	18 941	(249)	1 843	184	1 184
Angola	-	725	-	-	-	-
Argentina	16 538	81 165	1 193	1 193	-	1 200
Anguilla	20	101	-	-	-	-
Aruba	-	-	162	439	-	-
Bahamas	19	1 193	-	-	-	-
Bahrain	77	11 341	-	-	-	-
Bangladesh	1 650	4 213	-	-	-	3 954
Barbados	-	143	-	-	-	46
Belize	127	389	-	-	-	-
Benin	-	1 100	-	-	-	-
Bermuda	-	125	-	-	-	-
Bhutan	354	354	-	100	1 063	1 992
Bolivia	1 680	18 751	-	-	4 596	17 088
Botswana	539	2 188	516	6 637	661	2 090
Brazil	11 402	67 937	(609)	21 909	51	78
British Virgin Islands	112	282	-	-	-	57
Brunei Darussalam	-	68	-	-	-	-
Bulgaria	-	30	-	-	-	-
Burkina Faso	-	-	-	-	-	557
Burundi	-	2 416	-	-	189	2 256
Cape Verde	30	576	-	-	59	176
Cameroon	1 188	13 834	-	-	-	-
Cayman Islands	75	227	(23)	115	-	-
Central African Republic	-	-	-	-	-	2
Chad	-	200	-	-	63	9 709
Chile	4 843	9 897	-	-	-	65
China	3 986	22 581	-	-	987	12 511
Colombia	8 730	41 961	-	-	722	743
Comoros	-	-	-	-	-	14
Congo	-	658	-	9 705	-	-
Cook Islands	79	607	-	-	-	150
Costa Rica	320	2 869	-	-	899	3 857
Côte d'Ivoire	2 138	7 253	-	5 517	455	672
Cyprus	87	379	-	-	17	17
Czechoslovakia	-	221	-	-	-	-
Democratic People's Republic of Korea	-	150	-	-	-	-
Democratic Yemen a/	-	890	-	-	-	467
Djibouti	185	1 077	-	-	-	106
Dominica	97	352	-	-	-	75
Dominican Republic	159	2 547	-	-	-	43
Ecuador	2 663	20 795	-	-	585	2 537
Egypt	88	6 730	-	-	139	11 916
El Salvador	60	1 507	-	-	-	30
Equatorial Guinea	34	59	-	-	-	-
Ethiopia	113	1 304	-	-	-	40
Fiji	257	741	-	-	-	5

Annex table 8 (a) (continued)

Country	Project cost-sharing: received in 1990	Project cost-sharing: cumulative total	Programme cost-sharing: received in 1990	Programme cost-sharing: cumulative total	Third-party cost-sharing: received in 1990	Third-party cost-sharing: cumulative total
Gabon	(110)	14 438	1 678	4 133	-	-
Gambia	70	70	-	-	-	210
Ghana	786	1 261	-	-	815	815
Greece	-	585	-	-	-	-
Grenada	3	230	-	-	-	-
Guatemala	464	7 168	-	-	5 152	6 782
Guinea	-	535	-	-	-	-
Guinea-Bissau	253	326	-	-	-	1 062
Guyana	61	547	-	-	-	317
Haiti	216	2 627	-	-	3 865	4 494
Honduras	1 675	15 812	-	-	4 932	11 025
Hong Kong	-	60	-	-	-	-
Iceland	-	132	-	-	-	-
India	40	7 274	-	-	-	-
Indonesia	4 244	22 580	-	24 511	2 002	5 078
Iran, Islamic Republic of	182	28 975	-	398	-	-
Iraq	-	9 433	-	8	-	60
Jamaica	2 340	9 866	(905)	4 031	314	1 053
Jordan	47	4 327	-	-	32	402
Kenya	-	363	-	-	610	4 672
Kiribati	-	-	-	-	28	28
Kuwait	2 051	23 375	76	421	-	-
Lao People's Democratic Republic	-	-	-	-	-	78
Lebanon	-	680	-	-	-	48
Lesotho	-	-	-	-	335	1 824
Liberia	35	657	-	-	-	1 134
Libyan Arab Jamahiriya	176	25 938	-	-	-	-
Madagascar	-	309	-	8	-	-
Malawi	-	186	-	-	-	-
Malaysia	-	1 145	900	9 290	-	-
Maldives	4	4	-	-	542	1 392
Mali	-	327	-	-	250	3 522
Marshall Island	50	50	-	-	-	-
Mauritania	762	2 172	-	-	-	663
Mauritius	-	92	-	-	-	-
Mexico	607	6 238	-	-	-	171
Micronesia	78	191	-	-	-	-
Miscellaneous	-	-	-	1	-	-
Mongolia	74	74	-	-	-	-
Montserrat	11	13	-	-	4	18
Morocco	1 124	5 473	-	-	-	-
Mozambique	-	51	-	-	6	330
Myanmar	-	-	-	-	300	582
Namibia	-	-	-	-	133	173
Nepal	1 091	5 922	-	-	45	2 054
Netherlands Antilles	158	470	118	4 056	-	-
Nicaragua	-	945	-	-	287	1 773
Niger	-	-	-	-	-	522
Nigeria	160	15 586	-	23 314	322	734
Niue	6	6	-	-	-	-
Oman	5 425	19 067	191	468	-	-
Pakistan	-	747	-	-	-	-

Annex table 8 (a) (continued)

Country	Project cost-sharing received in 1990	Project cost-sharing cumulative total	Programme cost-sharing received in 1990	Programme cost-sharing cumulative total	Third-party cost-sharing received in 1990	Third-party cost-sharing cumulative total
Palestinian people	-	-	-	-	146	1 843
Panama	39	5 033	400	3 580	-	-
Papua New Guinea	338	5 851	-	-	263	2 591
Paraguay	93	3 919	-	-	-	133
Peru	816	6 623	-	1 170	148	262
Philippines	124	789	-	-	360	360
Poland	-	274	-	-	-	-
Portugal	-	2 333	-	-	-	-
Qatar	1 117	11 373	-	136	-	140
Republic of Korea	94	546	-	-	-	-
Rwanda	-	1 834	-	-	-	1 160
Saint Kitts and Nevis	78	96	-	-	-	-
Saint Lucia	-	147	-	-	-	120
Saint Vincent and the Grenadines	105	133	-	-	-	2
Samoa	166	668	-	-	6	356
Sao Tome and Principe	-	390	-	-	9	9
Saudi Arabia	1 117	84 099	(196)	1 179	-	-
Senegal	-	-	-	-	886	1 943
Sierra Leone	10	96	-	-	64	810
Singapore	-	555	-	-	-	-
Somalia	-	50	-	-	329	2 320
Sri Lanka	-	2 876	-	-	-	15
Sudan	-	4 422	-	254	4 131	9 171
Suriname	-	32	-	341	-	150
Swaziland	881	3 591	-	61	985	1 800
Syria	200	1 255	412	1 403	-	63
Thailand	-	718	-	-	339	923
Togo	-	237	-	-	-	170
Tokelau Islands	-	75	-	3	-	-
Tonga	-	-	-	-	-	55
Trinidad and Tobago	-	96	1 140	18 940	-	-
Trust Territory of the Pacific Islands	-	1 176	-	-	112	112
Tunisia	306	1 773	-	136	(24)	141
Turkey	989	17 312	-	2	39	39
Turks and Caicos Islands	-	3	-	-	-	-
Tuvalu	-	-	-	-	-	755
Uganda	-	1 944	-	-	-	176
United Arab Emirates	1 237	21 921	(28)	135	-	132
United Republic of Tanzania	-	5 152	-	22	490	558
Uruguay	768	6 475	378	986	200	200
Vanuatu	-	46	-	-	-	70
Venezuela	2 845	23 661	45	45	-	530
Viet Nam	-	-	-	-	370	470
Yemen a/	199	11 515	-	-	200	28 158
Yugoslavia	107	204	-	-	-	-
Zaire	8	190	-	-	-	-
Zambia	-	59	-	-	-	76
Zimbabwe	-	232	-	-	155	399

Annex table 8 (a) (continued)

Country	Project cost-sharing received in 1990	Project cost-sharing cumulative total	Programme cost-sharing received in 1990	Programme cost-sharing cumulative total	Third-party cost-sharing received in 1990	Third-party cost-sharing cumulative total
Africa regional	-	2 887	-	-	6 416	37 126
Arab regional	123	9 152	-	-	120	11 823
Asia regional	164	4 996	-	-	(174)	8 429
Caribbean regional	-	-	-	-	50	504
Europe regional	-	561	-	-	500	1 663
Latin America regional	183	2 169	-	-	13 909	32 648
Interregional	104	398	-	-	9 530	37 309
Global	-	-	-	-	379	6 176
Total	93 563	838 151	5 199	146 490	70 555	317 223

a/ On 22 May 1990, Democratic Yemen and Yemen merged to form a single State. Since that date they have been represented as one Member of the United Nations with the name "Yemen". The data are reported separately here since the study was completed prior to the merger.

Annex table 8 (b) Income received under third-party cost-sharing arrangements, by donor

(Thousands of United States dollars)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
African Development Bank	Africa regional	753	2 667
Africa Leadership Forum	Africa regional	-	18
Agence de coopération culturelle et technique	Chad	37	136
Algeria	Africa regional	-	199
	Interregional	-	25
	Subtotal	-	224
Arab Fund for Economic Social Development	Jordan	-	167
	Arab States regional	-	121
	Subtotal	-	288
Arab Gulf Programme for United Nations Development Organizations	Caribbean regional	-	150
	Democratic Yemen a/	-	200
	Egypt	-	335
	Guinea-Bissau	-	500
	Haiti	-	629
	Jordan	-	175
	Maldives	-	850
	Mali	250	1 600
	Niger	-	502
	Palestinian People	-	740
	Sierra Leone	-	400
	Sudan	-	17
	Syria	-	63
	Tonga	-	50
	Global	-	1 350
	Subtotal	250	7 561
Arab Labour Organization	Arab regional	-	200
Arab Maritime Transport Academy	Arab regional	-	1 040
Asociación Chilena de la Propriedad Industrial	Chile	-	15
Asociación de Zonas Francas de Latin America y el Caribe	Latin America regional	4	7
Australia	Bhutan	36	243
	Bolivia	-	2
	China	82	197
	Egypt	-	227
	Honduras	-	11
	Papua New Guinea	-	1 802
	Saint Vincent	-	2
	Vanuatu	-	45
	Viet Nam	-	100
	Yemen a/	-	4
	Global	-	19
	Asia regional	-	496
	Subtotal	118	3 148

Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
Austria	Bangladesh	-	147
	Egypt	-	420
	Africa regional	100	200
	Subtotal	100	767
Belgium	Algeria	184	184
	Kenya	-	1 175
	Mali	-	1 075
	Mauritania	-	24
	Subtotal	184	2 458
Canada	China	-	80
	Democratic Yemen a/	-	20
	Egypt	-	1 000
	Jamaica	9	154
	Myanmar	-	37
	Maldives	10	10
	Sao Tomé and Principe	9	9
	Somalia	208	208
	Sudan	-	1 067
	Tunisia	-	31
	Turkey	39	39
	Uganda	-	15
	Zambia	-	76
	Global	-	84
	Interregional	1 087	8 823
	Africa regional	184	365
	Latin America regional	-	1 489
	Subtotal	1 546	13 507
Caribbean Development Bank	Caribbean regional	50	100
	Dominica	-	25
	Saint Lucia	-	120
	Latin America regional	60	230
	Subtotal	110	475
Central African Development Bank	Africa regional	-	163
Central American Bank for Economic Integration	Latin America regional	-	36
Denmark	Bangladesh	-	300
	Botswana	180	360
	China	-	314
	Democratic Yemen a/	-	247
	Egypt	-	498
	Sudan	118	118
	Interregional	150	150
	Africa regional	638	1 138
	Subtotal	1 086	3 125
East African Development Bank	Africa regional	-	46
Economic Commission for Europe	Lesotho	-	151
	Sudan	287	287
	Yemen	-	3 009
	Arab regional	-	123
	Europe regional	-	77
	Interregional	45	129
	Subtotal	332	3 776

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Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
Finland	Bolivia	-	311
	Costa Rica	81	372
	Lebanon	-	48
	Nicaragua	170	170
	Somalia	-	92
	Sudan	2 111	2 111
	United Republic of Tanzania	432	432
	Africa regional	1 200	2 335
	Asia regional	-	265
	Interregional	-	20
	Subtotal	3 994	6 156
France	Dominican Republic	-	18
	Egypt	-	113
	Haiti	2 108	2 108
	Nicaragua	-	41
	Niger	-	20
	Zimbabwe	-	32
	Africa regional	-	1 431
	Latin America regional	1 054	1054
	Global	-	173
	Interregional	-	339
	Subtotal	3 162	5 329
Germany, Federal Republic of	Dominican Republic	-	25
	Jordan	-	28
	Mauritania	-	96
	Paraguay	-	109
	United Republic of Tanzania	-	43
	Yemen a/	-	1 992
	Asia regional	-	62
	Interregional	100	1 924
	Global	-	196
	Subtotal	100	4 475
Greece	Egypt	-	500
India	Interregional	-	50
Indonesia	Interregional	-	120
Inter-American Development Bank	Bolivia	-	2 128
	Latin America regional	635	3 019
	Subtotal	635	5 147
International Finance Corporation	Latin America regional	133	133
	Africa regional	500	2 301
	Subtotal	633	2 434
International Fund for Agricultural Development	Venezuela	-	520
	Arab States regional	-	30
	Latin America regional	-	901
	Subtotal	-	1 451
International Labour Organisation	Jordan	32	32
	Interregional	-	238
	Subtotal	32	270

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Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
International Monetary Fund	Latin America regional	-	375
International Telecommunications Union	Brazil	-	27
Iran, Islamic Republic of	Arab States regional	-	2 003
Israel	Latin America regional	-	50
Instituto regional de Corporación	Sierra Leone	57	57
Italy	Argentina	-	1 200
	Bolivia	1 528	8 174
	China	-	9 833
	Colombia	122	122
	Egypt	88	325
	Honduras	768	1 920
	Kenya	-	1 618
	Europe regional	500	1 541
	Africa regional	701	3 126
	Latin America regional	11 795	15 480
	Global	-	300
	Interregional	-	210
	Subtotal	15 502	43 849
Japan	Cook Islands	-	150
	Egypt	-	1 000
	Maldives	532	532
	Myanmar	300	500
	Nepal	-	524
	Samoa	6	356
	Thailand	339	339
	Tuvalu	-	755
	Asia regional	(512)	4 726
	Latin America regional	100	100
	Interregional	475	724
	Subtotal	1 240	9 704
Jordan	Palestinian people	-	457
Junta del Acuerdo de la Cartagena	Peru	-	6
Kuwait	Interregional	-	30
Latin American Association for Integration	Latin America regional	-	264
Latin American Centre for Development Administration	Latin America regional	-	67
Latin American Institute for Economic and Social Planning	Paraguay	-	24
	Latin America regional	120	356
	Subtotal	120	380

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Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
League of Arab States	Arab regional	(300)	100
Libyan Arab Jamahiriya	Africa regional	-	97
Miscellaneous	Bangladesh	-	8
	Chad	-	7 905
	Mauritania	107	117
	Latin America regional	-	244
	Subtotal	107	8 274
Morocco	Africa regional	-	64
Netherlands	Afghanistan	-	580
	Bangladesh	-	257
	Bhutan	-	749
	Bolivia	1 174	1 345
	Brazil	51	51
	Botswana	261	942
	China	150	569
	Colombia	600	600
	Costa Rica	818	3 469
	Côte d'Ivoire	455	626
	Ecuador	585	2 203
	Egypt	-	2 000
	Ghana	506	506
	Guatemala	5 152	6 782
	Guinea-Bissau	-	418
	Honduras	4 164	8 954
	Indonesia	2 002	4 584
	Jamaica	-	198
	Lesotho	335	1 673
	Liberia	-	1 134
	Mauritania	-	23
	Nepal	-	1 140
	Nicaragua	-	349
	Nigeria	322	734
	Peru	-	108
	Philippines	360	360
	Rwanda	-	719
	Senegal	886	1 943
	Sudan	984	2 219
	Suriname	-	150
	Swaziland	985	1 800
	Uganda	-	8
	United Republic of Tanzania	-	25
	Yemen a/	200	17 491
	Africa regional	157	1 700
	Europe regional	-	45
	Latin America regional	-	526
	Interregional	1 334	2 087
	Subtotal	21 481	69 067
New Zealand	China	370	827
	Fiji	-	5
	Kenya	250	494
	Kiribati	28	28
	Papua New Guinea	263	789
	Viet Nam	29	29
	Subtotal	940	2 172
Non-governmental organizations	Bolivia	1 894	4 719
	Cyprus	17	17
	Haiti	7	7
	Montserrat	4	18
	Uganda	-	2
	Subtotal	1 922	4 763

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Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
Norway	Egypt	-	543
	Namibia	-	40
	Nicaragua	-	627
	Somalia	-	44
	Zimbabwe	155	290
	Africa regional	82	1 747
	Interregional	1 943	8 707
	Subtotal	2 180	11 998
Organization of Petroleum Exporting Countries	Egypt	-	1 500
	Africa regional	-	8 001
	Arab regional	-	7 641
	Asia regional	-	1 999
	Latin America regional	-	3 500
	Interregional	-	1 898
	Global	-	2 281
	Subtotal	-	26 820
Philippines	China	-	1
Saudi Arabia	Yemen a/	-	5 000
Southern African Centre for Co-operation in Agriculture	Mozambique	6	6
Secretaria Ejecutiva del Convenio Andrés Bello	Chile	-	30
Somalia	Africa regional	-	20
Spain	Bolivia	-	213
	Mexico	-	149
	Latin America regional	-	21
	Interregional	38	124
	Subtotal	38	507
Sweden	Bolivia	-	10
	Botswana	220	445
	Ecuador	-	333
	Egypt	-	920
	Guinea-Bissau	-	144
	Kenya	360	1 385
	Lao People's Democratic Republic	-	16
	Mozambique	-	65
	Namibia	133	133
	Nicaragua	117	586
	Sri Lanka	-	15
	Sudan	-	2 333
	Viet Nam	341	341
	Interregional	1 459	2 493
	Africa regional	-	940
	Subtotal	2 630	10 159
Switzerland	Bangladesh	-	2 217
	Bolivia	-	14
	Burundi	189	2 256
	Chad	-	119
	Chile	-	20
	Côte d'Ivoire	-	46
	Egypt	-	500
	Ghana	309	309
	Nepal	-	80
	Peru	148	148
	Rwanda	-	441
	Africa regional	-	252
	Asia regional	338	535
	Global	-	886
	Interregional	299	5 010
	Subtotal	1 283	12 833

Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
Tunisia	Palestinian people	-	24
United Kingdom of Great Britain and Northern Ireland	China	200	200
	Egypt	-	1 770
	Guyana	-	250
	Honduras	-	140
	Sudan	301	301
	Yemen a/	-	662
	Africa regional	-	534
	Interregional	2 600	3 310
	Subtotal	3 101	7 167
United Nations	Cape Verde	-	57
	Central African Republic	-	2
	Comoros	-	9
	Djibouti	-	106
	Ecuador	-	1
	Mauritania	-	276
	Mozambique	-	259
	Tonga	-	5
	Uganda	-	151
	Latin America regional	-	34
	Global	-	33
	Subtotal	-	933
United Nations Centre for Human Settlements	Barbados	-	46
	Bolivia	-	122
	British Virgin Islands	-	57
	Burkina Faso	-	57
	Cape Verde	59	91
	Costa Rica	-	16
	Dominica	-	50
	Guyana	-	57
	Jamaica	40	40
	Lao People's Democratic Republic	-	62
	Mexico	-	22
	Myanmar	-	45
	Qatar	-	10
	Sierra Leone	-	46
	United Arab Emirates	-	132
	Vanuatu	-	25
	Zimbabwe	-	77
	Caribbean regional	-	79
	Latin America regional	-	81
	Subtotal	99	1 115
United Nations Children's Fund	Bolivia	-	50
	China	50	195
	Colombia	-	21
	Ethiopia	-	40
	Iraq	-	60
	Mali	-	300
	Nepal	45	310
	Qatar	-	130
	Sierra Leone	7	7
	Sudan	-	200
	United Republic of Tanzania	19	19
	Latin America regional	8	8
	Interregional	-	50
	Subtotal	129	1 390
United Nations Educational, Scientific and Cultural Organization	Egypt	-	204
	Jamaica	-	46
	Venezuela	-	10
	Subtotal	-	260

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Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
United Nations Environmental Programme	Indonesia	-	14
	Jamaica	265	265
	Tunisia	-	65
	Subtotal	265	344
United Nations Fund for Drug Abuse Control	Jamaica	-	132
	Thailand	-	496
	Subtotal	-	628
United Nations Population Fund	China	95	145
	Indonesia	-	130
	Thailand	-	63
	Interregional	-	30
	Subtotal	95	368
United Nations High Commissioner for Refugees	Sudan	-	188
	Arab regional	-	145
	Subtotal	-	333
United Nations Industrial Development Organization	Algeria	-	1 000
	Comoros	-	5
	Tunisia	-	45
	Interregional	-	75
	Subtotal	-	1 125
United Nations Trust Fund for Sudano-Sahelian Activities	Somalia	-	294
	Africa regional	-	2 600
	Subtotal	-	2 894
Office of the United Nations Disaster Relief Coordinator	Bangladesh	-	25
	Chad	-	200
	China	40	150
	El Salvador	-	30
	Thailand	-	25
	Interregional	-	25
	Subtotal	40	455
USA for Africa	Mauritania	-	100
United States of America	Bangladesh	-	1 000
	Botswana	-	343
	Burkina Faso	-	500
	Cape Verde	-	28
	Chad	26	1 349
	Egypt	51	51
	Haiti	1 750	1750
	Indonesia	-	350
	Jamaica	-	218
	Mali	-	647
	Mauritania	-	144
	Sierra Leone	-	300
	Somalia	121	1 682
	Sudan	330	330
	Togo	-	170
	Trust Territory of the Pacific Islands	112	112
	Uruguay	200	200
	Africa regional	1 501	4 799
	Asia regional	-	311
	Central America regional	-	175
	Latin America regional	-	3 397
	Interregional	-	348
	Global	-	5
	Subtotal	4 091	18 209

Annex table 8 (b) (continued)

Donor	Recipient country/region	Amount in 1990	Cumulative amount 1975-1990
Venezuela	Egypt	-	10
West Africa Development Bank	Africa regional	-	538
World Bank	Bhutan	1 000	1 000
	Gambia	-	210
	Africa regional	493	1 738
	Arab States regional	420	420
	Asia regional	-	37
	Interregional	-	390
	Latin America regional	-	1 246
	Global	379	849
	Subtotal	2 292	5 890
World Health Organization	Guyana	-	10
	Palestinian people	122	622
	Subtotal	122	632
World Food Programme	United Republic of Tanzania	39	39
TOTAL		70 555	317 223

a/ On 22 May 1990, Democratic Yemen and Yemen merged to form a single State. Since that date they have been represented as one Member of the United Nations with the name "Yemen". The data are reported separately here since the study was completed prior to the merger.

Annex table 9 (a). Management services agreements: 1990

	Recipient country	Agreement description	Donor	Date of signature	Budget a/ (millions of dollars)	Duration (years)
I.	**DEVELOPMENT BANKS**					
	Argentina	Improving Labour Productivity	World Bank	Sep. 1990	0.73	2
	Papua New Guinea	Land Mobilization Programme	World Bank	Mar. 1990	2.45	5
	Uganda	Control Systems in Teaching Services	WB/IDA	Jan. 1990	1.31	2
	Uganda	Project Monitoring and Evaluation Unit	WB/IDA	Jun. 1990	1.13	3
	Uganda	Economic Advisory Task Force	WB/IDA	Sep. 1990	0.20	3
					5.82	
II.	**BILATERAL**					
	Benin	Procurement of Commodities	Japan	Mar. 1990	4.97	1
	Burkina Faso	Technical Support to BKF/89/X04	Sweden	Mar. 1990	1.73	3
	Burkina Faso	Technical Support to BKF/89/X03	Sweden	Mar. 1990	1.68	3
	Central African Republic	Procurement of Commodities	Japan	Apr. 1990	2.03	2
	Côte d'Ivoire	Procurement of Commodities	Japan	Jul. 1990	13.30 c/	2
	Guatemala	Education on the Environment	Netherlands	Nov. 1990	0.19	2
	Interregional	Africa 2000	Japan	Dec. 1990	0.53	1
	Interregional	Danish Consultancy Services	Denmark	Apr. 1990	2.00	3
	Mali	Procurement of Commodities	Japan	Mar. 1990	3.55	1
	Niger	Procurement of Commodities	Japan	Apr. 1990	10.64	1
	Niger	Technical Support to NER/90/X01	Sweden	Mar. 1990	1.38	3
	Senegal	Technical Support to SEN/89/X08	Sweden	Jun. 1990	2.81	3
	Senegal	Procurement of Commodities	Japan	Oct. 1990	19.50 c/	2
	Thailand	Forestry Water Plan for Thailand	Finland	Feb. 1990	3.17	4
	Togo	Procurement of Commodities	Japan	Apr. 1990	3.55	1
	Turkey	Vocational Training and Job Placement	USAID	Jun. 1990	9.96	3
	Uganda	Relief and Social Rehabilitation of Settlers	Sweden	Mar. 1990	0.25	3
	Zaire	Procurement of Commodities	Japan	Feb. 1990	24.82	1
					106.06	
III.	**IFAD b/**					
	Algeria	Artisanal Fisheries Project	IFAD	d/	11.94	8
	Brazil	Cerrado Smallholder Development Project	IFAD	d/	24.32	9
	Congo	Smallholder Marketing	IFAD	d/	9.11	9
	Ghana	Upper East Region	IFAD	d/	26.45	9
	Kenya	Dry Area Smallholder	IFAD	d/	3.96	9
	Kenya	Coastal Arid and Semi-Arid Lands	IFAD	d/	16.07	9
	Kenya	Farmers Group II	IFAD	d/	6.90	9
	Mali	Village Development II	IFAD	d/	13.51	8
	Mexico	Agriculture Development	IFAD	d/	31.22	9
	Sao Tome and Principe	Artisanal Fisheries	IFAD	d/	2.14	9
	Seychelles	Employment Promotion	IFAD	d/	1.64	8
	Sudan	Roseires Agricultural Development	IFAD	d/	11.10	9
	Turkey	Yozgat Rural Development	IFAD	d/	16.78	9
	Uganda	Holma Intergrated Community Development	IFAD	d/	11.01	9
					186.15	

a/ Includes Management Services fee.

b/ OPS is charged with loan administration and project supervision for IFAD projects, but does notdirectly manage the loan amounts. The management fee for IFAD projects is, on average, $430,000.

c/ Under the management services agreements for the procurement of commodities programme in Côte d'Ivoire and Senegal, OPS provides verification and certification services for purchases made by the private sector. Only the management fee is received by OPS ($125,000 for IVC/90/R21 and $285,000 for SEN/90/R21).

d/ The IFAD Board approved the projects listed during 1990, although the Letter of Appointment from IFAD to OPSwas not necessarily signed during this period.

Annex table 9 (b). Budget increases under existing management services agreements

Recipient country	Agreement description	Donor	Budget increase	Total budget (millions of dollars)
Central America	PRODERE	Italy	4.70	5.47
Laos	English Language Training	Australia	0.35	1.36
Viet Nam	English Language Training	Australia	0.94	4.29
	TOTAL		5.99	11.12

Annex table 10 (a). Trust funds established by the administrator in 1990

Trust fund	Purpose of the fund	Duration	Donors	Recipient(s)	Amount of contribution a/ (US dollars)	Executing agency	Support cost reimbursement arrangements b/
			A. On behalf of UNDP				
Global Consultation on Water Supply and Sanitation for the 1990s Signed - 9 March 1990	This trust fund was established to support the consultation process between developing countries and external support agencies by facilitating the preparation and organization of a global consultation to formulate strategies for environmentally sound and sustainable water supply and sanitation services for the 1990s and beyond.	11 months	CIDA, DANIDA, NORAD, SIDA, COMMONWEALTH SECRETARIAT, SWISS DEVELOPMENT CORPORATION	Developing countries, NGOs	208 564	UNDP OPS	Trust fund to be charged 5 per cent to OPS
Trust Fund Agreement between UNDP/IMPACT and the Malaysian Organizing Committee for Sportaid'88 Signed - 29 May 1990	This trust fund was established for the promotion and implementation of disability prevention projects in sub-Saharan countries. The contribution committed to the trust fund was earmarked for the eradication of Guinea worm disease in Mali; the control of Vitamin A and iodine deficiency, and the control of onchocerciasis in other sub-Saharan countries.	Not specified	Malaysian Organizing Committee for Sportaid '88	Least developed countries in sub-Saharan Africa	600 000	Preferably Government or NGOs	Trust fund to be charged 1 per cent to UNDP
UNDP/Switzerland Trust Fund for Namibia Signed - 21 June 1990	This trust fund was established to finance the participation of representatives from Namibia in commemorating forty years of technical cooperation of the United Nations system.	3 years	Switzerland	Namibia	15 000	UNDP	Trust fund to be charged with the amount necessary to meet any additional financial liability to UNDP resulting from the establishment of the fund
UNDP Trust Fund for the Republic of Maldives Signed - 8 June 1990 c/	This trust fund was established to mobilize resources for the economic and social development of the Maldives. The resources of the fund will be utilized to finance technical cooperation projects within the framework of the National Development Plan of Maldives and for emergency assistance.	Not specified	Various (including NGOs and private sources)	Republic of Maldives	100 876	Various executing agencies	Trust fund to be charged with the amount necessary to meet any additional financial liability to UNDP resulting from the establishment of the fund

Annex table 10 (a) continued

Trust fund	Purpose of the fund	Duration	Donors	Recipient(s)	Amount of contribution a/ (US dollars)	Executing agency	Support cost reimbursement arrangements b/
			B. On behalf of UNSO				
Natural Resource Management (Preparatory Phase), Comoe and Kenedougou Provinces, Burkina Faso Signed - 14 Nov. 1990 c/	This trust fund was established to finance the collection of socio-ecological environmental data in the Comoe and Kenedougou Provinces of Burkina Faso.	1 year	Sweden	Burkina Faso	269 838	UNDP OPS	Trust fund to be charged 13 per cent (8 per cent to OPS and 5 per cent to UNSO)
			C. On behalf of UNFSTD				
Strengthening Management of Technology Capacity at the School of Management - Asian Institute of Technology Signed - 1 June 1990	This trust fund was established to improve the management of technology in Asia by providing support to the Management of Technology Information Centre and the executive development programmes of the School of Management, Asian Institute of Technology.	2 years	France	Asian countries	181 818	Government	Trust fund to be charged 5 per cent to UNFSTD
			D. On behalf of UNV				
Assistance for UNV Participation in UNHCR Refugee Programme in Hong Kong Signed - 23 April 1990 c/	This trust fund was established for a project that will contribute to the efforts made by UNHCR and the Government of Hong Kong in resettlement of Vietnamese refugees and asylum seekers.	2 years	Japan	UNV	233 253	UNV	Trust fund to be charged 4 per cent to UNV
UNV Consultative Meeting in Tokyo Signed - 6 April 1990	This trust fund was established by the support of the Japanese Government for the United Nations Volunteers Programme (UNV) Consultative Meeting held in Tokyo with Japanese volunteer organizations and the Japanese Government.	1 year	Japan	UNV	20 000	UNV	Trust fund to be charged 4 per cent to UNV

a/ Where applicable, the dollar equivalent of amounts payable in currencies other than United States dollars has been calculated using the United Nations operational rate of exchange in effect at the time of the establishment of the trust funds, or, if paid in 1990, at the rate in effect on the date of payment.

b/ Percentage figures, where indicated, refer to the percentage of project expenditures to be applied towards support services provided by an executing agency, cooperating agency, and/or UNDP.

c/ The date given represents the date of receipt of funds.

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Annex table 10 (b). Activities financed under the USSR/UNDP trust fund

As in past years, and following the request of Governing Council members, a list of the activities financed under the USSR/UNDP trust fund in 1990 is given below.

United Nations

A. Seminar on International Trade Law ($54,410 and R99,785)

ILO

B. Training Course in Instructional Systems Design and the Training of Trainers ($41,825 and R72,232)

ICAO

C. Course in Flight Operations ($84,913 and R237,600). This allocation is for three repeater courses (1989-1991).

D. Training in Airport Management - General ($83,496 and R196,000)

E. Training Course in Aerodrome Pavement Maintenance Engineering ($21,825 and R64,700)

UNIDO

F. In-Plant Group Training Programme for Engineers in the Field of Mineral Fertilizer Production ($45,305 and R86,050)

G. Group Training Programme for Mechanical Engineers in the Field of Process Engineering, Maintenance and Repair of Machine Tools in the Metalworking Industry ($45,489 and R86,050)

H. In-Plant Group Training Programme in the Field of Electric Welding ($59,298 and R108,100)

I. Training Programme for Industrial Information Officers and Documentalists ($40,026 and R73,400)

J. In-Plant Group Training Programme for Engineers in the Field of Metalworking Industry ($48,430 and R88,950)

K. In-Plant Group Training Programme in the Field of Iron and Steel Industries ($63,159 and R115,600)

L. In-Plant Group Training Programme in the Field of Rice Processing Enterprises ($43,775 and R80,375)

Annex table 10 (b) (continued)

WIPO

M. Training Course on Patent Information ($29,705 and R113,030)

WHO

N. International Training Course on Basic Malariology and Malaria Control ($22,010 and R91,587)

OPS

O. Training Seminar on Geological and Seismic Hazards, Disaster Preparedness, Prevention and Planning ($39,078 and R127,450)

FAO

P. Training on Wildlife Disease Epidemiology and Control ($37,134 and R71,066)

Annex II

DOCUMENTATION SUBMITTED BY UNIDO IN SUPPORT OF ADDITIONAL SUPPORT COST REIMBURSEMENT

A. Letter dated 2 April 1991 from the Director-General, UNIDO, to the Administrator

Dear Mr. Draper,

I am writing to request your assistance in obtaining an additional one per cent reimbursement by UNDP of support costs incurred by UNIDO for 1990.

The request is made under paragraphs 4 and 5 of Governing Council decision 81/40 of 30 June 1981 to provide relief to UNIDO from the effects of a falling United States dollar rate against the Austrian schilling in 1990. As you may be aware a high proportion of the costs financed from the support cost reimbursement related to technical cooperation activities are schilling-based. As a result of the decline in the rate of the dollar and despite the increase in project delivery, the income from support cost reimbursement has declined in real terms.

The loss to UNIDO due to the fall in the value of the United States dollar (using 1990 support cost income as the basis for comparison) can be seen in the following table:

	$US
UNDP project delivery	94 300 000
Reimbursement	12 252 508
UNIDO dollar-based expenditure (15 per cent)	1 837 876
Balance available for Austrian schilling support costs	10 414 632
Austrian schillings at average 1989 rate of $US 1 = AS 13.18	137 264 850
Austrian schillings at average 1990 rate of $US 1 = AS 11.43	119 039 243
Decrease in Austrian schillings available to UNIDO	18 225 607
Percentage decrease in Austrian schillings available to UNIDO	13.28

UNIDO's operating reserves which are necessary both to provide working capital and allow for contingencies have increased in dollar terms but as a

percentage of annual expenditure charged against support cost income has declined markedly from 70.4 per cent in 1989 to 62.0 per cent in 1990.

I would thus submit through you a request to the Governing Council that UNIDO be compensated for part of the exchange loss to the extent of one per cent of the UNDP project delivery for 1990 ($942,501). In anticipation of your support, UNIDO has taken the liberty of drafting an appropriate note for submission to the Governing Council.

I look forward to a positive response to this request.

With best regards.

(Signed) Domingo L. SIAZON, Jr.

B. Note submitted by UNIDO for the attention of the Governing Council

I. TOTAL TECHNICAL ASSISTANCE DELIVERY

1. In 1990, the United Nations Industrial Development Organization (UNIDO) incurred expenditures of $159.6 million on technical cooperation activities financed from all sources funds. The direct and indirect programme support costs related to those activities totalled $52.7 million in the same year of which $19.8 million were charged against support cost income. The latter amount equals some 35.8 per cent of total project expenditures. Of the total technical cooperation project expenditures, $94.3 million were for projects financed by the United Nations Development Programme (UNDP) (excluding Government cash counterpart contributions) for which UNIDO had been designated executing agency.

II. REIMBURSEMENT OF SUPPORT COSTS

2. Reimbursement of support costs is basically governed by the provisions of paragraph 2 of Governing Council decision 80/44 of 27 June 1980, as expanded by Governing Council decision 81/40 of 30 June 1981, paragraphs 4 and 5 of which set out policies regarding flexibility and currency exchange fluctuations.

3. In the case of UNIDO, UNDP reimbursed the Organization $12,252,508 in 1990. The sum is equal to 13 per cent of its technical cooperation for that year financed by UNDP.

4. Virtually all UNIDO support costs relate to staff costs, of which about 85 per cent is incurred in Austrian schillings. The depreciation of the United States dollar throughout 1990 led to an increase in the dollar costs of UNIDO schilling expenditures of about 15.39 per cent over the same period. Total project support costs increased concurrently by some 21 per cent.

5. The contingency, however, has been provided for in Governing Council decision 81/40. In the event that the United States dollar depreciates markedly against the Austrian schilling between one year to the next, UNIDO can claim entitlement to additional reimbursement under paragraph 5 (a) of that decision, which reads:

> "Executing agencies which are organizations within the United Nations system and not eligible for support cost flexibility arrangements may submit to the Governing Council, through the Administrator, requests for compensation for losses sustained in respect of support cost reimbursements as a result of currency fluctuations; such requests will be considered only in those cases where the average annual currency exchange rate of an agency's headquarters location has appreciated by at least 11 per cent vis-à-vis the United States dollar between one year and the next and provided that the total support cost reimbursement to an agency does not exceed 14 per cent of its UNDP project delivery for the year in question".

III. APPRECIATION OF LOCAL CURRENCY

6. The average annual Austrian schilling exchange rate vis-à-vis the United States dollar appreciated by more than 11 per cent between 1989 and 1990. In fact, the average United Nations operational rates of exchange in 1989 stood at $US 1 = AS 13.18 (or AS 1 = $US 0.0759). In 1990, the average rate was $US 1 = AS 11.43 (or AS 1 = $US 0.0875). The Austrian schilling can thus be seen to have appreciated in terms of United States dollars by more than 15 per cent ($US 0.0875 being 115.39 per cent of $US 0.0759), while the United States dollar depreciated in terms of Austrian schillings by more than 13 per cent (AS 11.43 is 86.66 per cent of AS 13.18). The rate of appreciation far exceeds that set in paragraph 5 (a) of decision 81/40.

IV. ADDITIONAL REIMBURSEMENT

7. In the light of the foregoing, UNIDO wishes to avail itself of the provision in paragraph 5 (a) of Governing Council decision 81/40, whereby agencies may submit to that Council, through the Administrator of UNDP, requests for compensation for losses in support cost reimbursement ascribable to currency fluctuations. In the case of UNIDO and further to the provisions contained in paragraph 5 (a), the reimbursement thus requested will not exceed 14 per cent of the UNDP project delivery for 1990. On this basis and for 1990, the reimbursement by UNDP of support costs to UNIDO will increase by $942,501 from $12,252,508 to $13,195,009.

Annex III

DOCUMENTATION SUBMITTED BY WMO IN SUPPORT OF ADDITIONAL SUPPORT COST REIMBURSEMENT

A. Letter dated 15 April 1991 from the Secretary-General, WMO, to the Administrator

I would like to draw your attention to the fact that since its UNDP project delivery for 1990 amounts to $US 16,795,723 (see copy attached of Schedule 1 A), WMO is not eligible in 1990 for support cost flexibility arrangements. Therefore the arrangements applicable to those agencies outside flexibility are now also applicable to WMO and therefore WMO may request compensation for proven exchange losses, in accordance with the provision of paragraph 5 (a) of decision 81/40 of 30 June 1981 and rule 10.8.16 of UNDP/FIN/RULES.

The average rate of exchange between the United States dollar and the Swiss franc (which is the national currency of WMO headquarters location and in which 95 per cent of WMO expenditure is incurred) has fluctuated from 1989 to 1990 as follows:

Average rate 1989: 1.63

" " 1990: 1.40

Fluctuation : 14.1 per cent.

Since it is evident that the average rate has fluctuated by more than 11 per cent, I would be glad if the Administrator would request the Governing Council at its next session to compensate WMO for exchange losses in respect of support cost reimbursement. It is understood that the total amount of such reimbursement, including the compensation, should not exceed 14 per cent of the delivery.

This compensation, if made in full, would amount to $US 308,093. However, with the limitation of 14 per cent it amounts to $US 167,957 calculated as follows:

1990 UNDP delivery: $US 16,795,723

		$US
(a)	Support cost reimbursement at the usual rate of 13 per cent (see copy of Schedule 4 A attached)	2 183 444
(b)	Support cost reimbursement at the maximum rate of 14 per cent	2 351 401
(c)	Compensation requested by WMO (1 per cent)	167 957

(Signed) G. O. P. OBASI
Secretary-General

/...

B. WMO request for retroactive reimbursement of support cost consequent to very adverse movements in exchange rates

1. At the end of 1986, due to the drop in the $US/Swiss francs exchange rate, and in spite of stringent economy measures such as postponing recruitment to many vacant posts, the Technical Cooperation (TCO) budget had a deficit of $497,000 which was financed from WMO Regular Budget resources at the expense of other programmes. A detailed request for additional support cost reimbursement was presented by WMO to the Governing Council of UNDP at the thirty-fourth session in 1987.

In its decision 87/49 part III, the Governing Council gave to the Administrator the authorization to make an additional retroactive reimbursement of $364,164 of support cost to the World Meteorological Organization.

2. One year later, in its decision 88/52, the Governing Council had approved a special ad hoc additional reimbursement for compensating the effect of exchange rate changes in 1987 for UNDP support cost income in European-based Organizations. WMO has received $312,000 in 1988 from this decision.

3. WMO faces a dramatic situation again due essentially to the constant decline of the $US/Swiss francs exchange rate (Average rate for 1990 to date: SFR 1.32 = $US 1.00; average for 1990: SFR 1.40 = $US 1.00), thus representing a considerable drop in its revenues for the Technical Cooperation (TCO) Programme.

It should be recalled that, since 1986, the resources of the Regular Budget of WMO have constantly been used in order to offset the deficits of the TCO budget:

$ 497,000 in 1986

$ 1,003,000 in 1987

$ 1,104,000 in 1988/89*

For the next biennium 1990/91, it is expected that the deficit will reach about $2,600,000 or nearly 30 per cent of the total Technical Cooperation Budget.

4. Continuing TCO activities on this basis creates great difficulties for WMO since these resources from the regular budget must be made available by a reduction elsewhere in the same budget. This is because the Executive Council of WMO has constantly refused additional assessments on its Members for this purpose. It becomes, therefore, vital for WMO to request the Governing Council again to authorize an additional retroactive payment.

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* WMO switched to biennial budgets in 1988.

5. By a separate communication WMO is also requesting payment amounting to $US 167,957 representing 14 per cent instead of 13 per cent of delivery for the year 1990, as in this year WMO is governed by rules under which compensation for exchange losses is permitted.

6. During WMO's tenth financial period, 1988-1991, the deficits due to the exchange losses and the reimbursements by UNDP were as follows:

Deficits: (para. 3)

1988-1989	$1,104,000
1990-1991	2,600,000
	3,704,000

Reimbursements by UNDP:

Paragraph 1, Decision 87/49 ($364,164)	Accounted in
Paragraph 2, Decision 88/8 ($312,000)	the deficit
Paragraph 5, Request for additional 1 per cent	167,957
TOTAL, deficit 1988-1991	$3,536,043

7. As explained above, the deficit of WMO due to exchange losses causes a substantial drain on the scarce assessed budget resources. However, the present rules of UNDP do not allow any further payment to WMO although there has been a constant increase in delivery. Up till 1990 the support cost payments to WMO remained fixed at around 2.1 million United States dollars per year due to the "flexibility" rules now applicable to the smaller agencies. For WMO the reimbursement of support costs went down from 22 per cent in 1987 to 14 per cent in 1989 and 1990.

8. Under the circumstances the request to the Governing Council is being addressed as a very exceptional case. One course available to the Governing Council is to consider and make a decision based on the same principles as those used for the payment made in 1988 under decision 87/49, Part III.

9. Out of the total UNDP support cost which WMO was entitled to under the current flexibility arrangement applicable to small agencies during the period 1981-1986, amounting to $12,154,330, only $11,060,276 were utilized by WMO. The under-utilized amount of $1,094,054 or 9 per cent was surrendered to UNDP. The favourable exchange rate between the United States dollars and the Swiss francs during 1981-1986 was the sole reason for such under-utilization.

Annex I shows the computation of the amounts surrendered to UNDP during the period 1981 through 1986. Furthermore, it should be noted that the income WMO earned from its own trust funds also contributed to these surrendered amounts since that income was fully utilized to meet the support costs.

10. Annex I demonstrates that out of $1,094,054 underutilized by WMO due to favourable exchange rates, $729,890 for the years 1981-1983 was not considered for reimbursement under decision 87/49. To the extent of this amount of $US 729 890, an additional payment by UNDP would not have the effect of net cost over time as this is the underutilized amount for the years from 1981 through 1983.

11. The payment if authorized would reduce the burden of the regular budget by the corresponding amount during the current financial period of WMO (1988-1991). It would contribute towards the WMO's international action in the pursuit of environmental and climate issues presently being undertaken by the Organization.

Computation of amounts surrendered to UNDP during 1981-1986

Year	Delivery (1)	Support cost which WMO was entitled to (2)	Support cost effectively used (3)	Support cost surrendered to UNDP (detail) (4)	(Total) (5)
		(All amounts in $US)			
1981	12 380 656	2 040 000 a/	1 882 224	157 776)	
1982	11 789 000	2 004 130 b/	1 602 000	402 130)	729 890
1983	11 318 075	1 980 000 c/	1 810 016	169 984)	
1984	11 824 706	2 010 200 d/	1 743 189	267 011)	
1985	13 491 804	2 080 000 e/	2 022 847	57 153)	364 164**
1986	12 580 564	2 040 000 f/	2 000 000	40 000)	
		12 154 330	11 060 276	1 094 054	(or 9% of the total of column 2)

a/ 17 per cent of 11,999,999.*

b/ 17 per cent of 11,789,000.

c/ 18 per cent of 10,999,999.*

d/ 17 per cent of 11,824,706.

e/ 16 per cent of 12,999,999.*

f/ 17 per cent of 11,999,999.*

* Support cost in column (2) above has been computed on the basis of delivery amounts appearing under a/ to f/. This is based on the principle described in paragraph 7 of UNDP/PROG 91 of 14.01.82 which states that "the Administrator will ensure that in no instance will an executing agency receive less in total support cost reimbursement for delivering a higher programme level than it had received for delivering a lower programme level".

** Total retroactively reimbursed to WMO in 1988.

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SUPPORT

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

Audit reports

Report of the Administrator

SUMMARY

This document contains the comments of the Administrator concerning the report of the United Nations Board of Auditors on the financial statements of the United Nations Development Programme for the year ending 31 December 1989. In particular, it provides further information on follow-up action taken in response to Governing Council decision 90/48 of 22 June 1990 and General Assembly resolution 45/235 of 21 December 1990.

Document DP/1991/52 summarizes the action taken by the executing agencies in response to the significant observations of their external auditors on their 1989 accounts relating to funds allocated to them by the United Nations Development Programme. Document DP/1991/52/Add.1 contains the audited reports of the executing agencies as at 31 December 1989.

INTRODUCTION

1. In accordance with previous Governing Council decisions, as well as General Assembly resolution 45/235 of 22 December 1990, the Administrator is bringing to the attention of the Council the audit report of the United Nations Development Programme (UNDP), 1/ the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) thereon, 2/ the related comments made in the Fifth Committee and the resolution adopted by the General Assembly at its forty-fifth session on financial reports and audited financial statements, and reports of the Board of Auditors (General Assembly resolution 45/235).

2. The external audit reports and audited accounts of executing agencies relating to funds allocated to them by UNDP as at 31 December 1989, submitted in accordance with regulation 17.1 of the UNDP Financial Regulations, are contained in document DP/1991/52/Add.1, together with a summary of the status of funds submitted by all executing agencies as at 31 December 1989. Document DP/1991/52 summarizes significant observations of the external auditors of the executing agencies on their 1989 accounts relating to funds allocated to them by UNDP.

3. The Administration provided a detailed written response to all the observations made by the United Nations Board of Auditors in its report. Those comments are included in the report of the Board of Auditors. 1/

4. The audit report included numerous findings in the areas of accounts, budgetary control, programme management, personnel management, other trust funds, and other miscellaneous matters. The auditors qualified their opinion on the UNDP financial statements for 1989 as a result of several of their findings. The two remaining qualifications relate to the receipt of audited statements from executing agencies and governments on programme expenditure. These have been the subject of a qualification of UNDP accounts since 1986.

5. Owing to the length of the audit report and the extensive response by the Administration, no attempt will be made in the present document to summarize their contents. This document highlights, in tabular format, those observations which have led to a qualification of the audit opinion and other observations which relate to matters of particular concern to the Governing Council and which the Council will no doubt wish to take into account in its future consideration of the subjects concerned. It also summarizes the results of the review of the audit report by ACABQ and by the Fifth Committee; it refers to discussions of matters arising from the audit at the Panel of Auditors and at the Consultative Committee on Administrative Questions (Finance and Budgetary Questions (CCAQ(FB)) as appropriate; and it indicates significant actions subsequently taken by the Administration in response to the reports and the relevant paragraphs of General Assembly resolution 45/235 which have a direct impact on UNDP. Information on further follow-up which may be available by June 1991 will be reported orally to the Council at its thirty-eighth session.

6. In its decision 45/235, the General Assembly requested the External Auditors to submit to the General Assembly at its forty-sixth session, through the Administrative Committee on Co-ordination (ACC) and ACABQ, an interim study on concrete issues to be resolved through the development of appropriate accounting principles and standards for consistent application in the United Nations system, taking into account the feasibility and benefits of such principles as well as the major problems to be addressed in this regard. The Administrator fully supports this initiative in that the establishment of such standards would provide a common framework for the United Nations system which will facilitate the work of all organizations, the auditors, the Fifth Committee and the Budget and Finance Committee.

SUMMARY OF AUDIT COMMENTS

Financial report and audited statements for the year ended 31 December 1989 (document A/45/5/Add.1)	Report of the Advisory Committee on Administrative and Budgetary Questions (document A/45/570)	Summary of discussions in the Fifth Committee	Comments by the Administration
I. AUDIT OF PROGRAMME EXPENDITURE BY UNITED NATIONS EXECUTING AGENCIES			
[Paragraphs 58 and 59 of the above report]			
The Board of Auditors have stated that it did not receive sufficient audited statements from executing agencies to allow it to express an unqualified opinion on programme expenditure and programme support costs reported by UNDP.	ACABQ expressed its concern that the Board had qualified its opinion in this regard since 1986 and indicated that it trusted that the new procedure of biennial auditing of UNDP accounts would address and rectify the situation.	Members of the Fifth Committee urged the Administration to intensify its efforts to correct or improve the conditions that gave rise to the qualification of audit opinion of the Board of Auditors.	The Administration is greatly concerned about the qualification of its accounts and has stressed to the executing agencies the significance placed on it by the Governing Council and the General Assembly. Executing agencies have made significant efforts to comply. It is important to note that the time frame for closure of the accounts and their audit is tight. Systems and procedures are being reviewed with the aim of speeding up the closure process.
II. AUDIT OF AND ACCOUNTING FOR GOVERNMENT-EXECUTED PROGRAMME EXPENDITURE			
[Paragraphs 60 to 64 of the above report]			
The Board recognized the major improvements compared to prior years; however, it noted that the coverage of approximately 23 per cent of expenditure still represented a limitation for the expression of an unqualified opinion. The Board further indicated that the lack of reporting prevented quantifying the overstatement of the receivables in the 1988 financial statements.	ACABQ considered this to be a serious weakness that the Administration should address vigorously, in particular, because of the trend for greater involvement by Governments in project execution. The Committee stated that further improvement is needed in the timely reporting of Governments to assess finally the outstanding balance of advances to Governments.	The Committee requested the Administrator to intensify his efforts to correct or improve the conditions that gave rise to the qualification of audit opinions of the Board of Auditors.	UNDP has made and will continue to make every effort to increase the percentage of government-executed expenditure for which audit certificates are received. It should be noted that by the end of 1990, some 70 per cent of the audit statements had been received for 1989 expenditure. UNDP continues to enhance related systems and is reviewing the feasibility of developing a system which will provide information to auditors sooner so that audits can be completed on a timely basis. Financial reports have now been received for almost all amounts outstanding as

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			advances to Governments at 31 December 1989. Significant improvement has also been made in the timeliness of receipt of reports in respect of advances made in 1990 to Governments.
	III. ISSUES REGARDING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES		
[Paragraphs 66-72, 96-98, 117]			
The Board's comments covered several issues relating to the applicability of generally accepted accounting principles, including the appropriate exchange rate to be used for the preparation of UNDP statements, contingent liabilities and matters relating to cash and investment.	ACABQ shared the concerns of the Board on this subject. The Committee recommended that the General Assembly request the Panel of External Auditors to commission a study in this regard.	The Committee requested the Panel of External Auditors to submit an interim study on concrete issues to be resolved through the development of appropriate accounting principles and standards for consistent application in the United Nations system.	The Administrator fully supports the proposal of establishing system-wide accounting principles.
	IV. ACCOUNTING FOR UNLIQUIDATED OBLIGATIONS		
[Paragraphs 85-95]			
The Board continued to feel the need for UNDP to review its accounting policies for recording obligations in order to establish principles which cannot be abused. To verify proper handling of the obligations, 1989 year-end obligations were reviewed. Several procedural difficulties were identified in the Office for Project Services (OPS). The Board recommended that guidelines be issued to rectify the matter.	ACABQ recalled its request to the Board to examine the nature and extent of possible abuses in the recording of unliquidated obligations and noted the Board's findings. The Committee also noted that stricter guidelines were issued by the Administrator to minimize the problems and ensure compliance with the Financial Rules.	The Committee endorsed the observations of the Advisory Committee and the Board of Auditors.	The Administrator acknowledged the problems identified by the Auditors, noting that few, if any, abuses had been found. UNDP has issued stricter guidelines. The issue of accounting principles is still under review by the Panel of Auditors and UNDP is awaiting its recommendations.
	V. TWO-YEAR PROJECT BUDGET CYCLE CONCEPT		
[Paragraphs 109 to 113]			
The Board, as requested by the Governing Council, reviewed the two-year budget cycle concept. The Board considered that the study by UNDP had not been broad enough and recommended an extension of the experimental	ACABQ noted that it was perhaps too early to draw any firm conclusions and requested the Board to keep the matter under review.	The Committee endorsed the observations of ACABQ and the Board of Auditors.	The Administrator agreed with the observations of the Board of Auditors and ACC. The Administrator has authorized continuation of the experiment, taking into account reports received from

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period to cover a more representative proportion of field offices and executing agencies.			participating agencies and field offices.
VI. ACCOUNTING DELINEATION BETWEEN PROGRAMME, PROGRAMME SUPPORT AND OPERATING EXPENSES			
[Paragraph 53]			
The Board of Auditors indicated that the guidelines regarding project-funded posts at headquarters do not provide the means to stop increases in the number of project-funded posts at headquarters and, more importantly, to draw a clear line between project and operating expenditure.	ACABQ reiterated that project-funded posts at headquarters should be kept to a minimum if not altogether eliminated. The Committee also indicated its intention to pursue this issue in the context of its examination of the UNDP budget.	The Committee requested the Governing Council to require the Administrator to issue and implement comprehensive and specific guidelines in order to delineate appropriately programme expenditure, programme support and administrative expenditures.	This issue continues to be of serious concern to UNDP. The issue has been addressed in detail in the context of the strategy leading to formulation of the 1992-1993 budget. A presentation on this issue is included in the budget estimates for the biennium 1992-1993 (DP/1991/49 (vols. I and II)).
VII. CHARGING OF TEMPORARY ASSISTANCE POSTS			
[Paragraphs 114 to 116]			
The Board does not agree with the practice of charging to the established posts rather than to temporary assistance the costs of temporary personnel who replace personnel on established but vacant posts.	ACABQ agreed with the Board's view and noted that, as a result, temporary assistance costs are not revealed to the extent they are actually incurred. The Committee endorsed the Board's recommendation that temporary assistance costs should be represented as such in the budget as well as in the financial statements.	The Committee endorsed the recommendation of the Board of Auditors and ACABQ.	The Administrator considers that further discussions are necessary to clarify the appropriate reporting of temporary assistance costs with the Board of Auditors. The matter is to be discussed in depth with the Board. An oral report will be provided to the Governing Council at its thirty-eighth session.
VIII. SPECIAL SERVICE AGREEMENTS AND THE HIRING OF CONSULTANTS			
[Paragraphs 164 to 174]			
The Board indicated that Special Service Agreements were granted to full time workers who could not (then) be employed as regular staff members. It recommended that the traditional systems of contracts should be reviewed to fit current demands for flexibility.	ACABQ stated that the Board's comments reveal a practice of issuing Special Service Agreements in a manner that is tantamount to evading prescribed procedures. The Committee was not satisfied with the Administration's response to the Board's comments.	The Committee endorsed the observations and recommendations of the Board and ACABQ.	The Administration has completed a review of all Special Service Agreements used in the field as a framework against which to evaluate the traditional system of contracts. All contracts currently in use in UNDP are under review and

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			their redesign to fit current demands will be completed in 1991. As regards the use of Special Service Agreements for the hiring of consultants, this process is now tightly controlled and will be backed up by a programme of staff training and a manual of procedures.
	IX. TRUST FUNDS AND SUB-TRUST FUNDS		
[Paragraphs 120 to 123]			
The Board expressed its concern that the increase in the number of funds established will have an adverse effect on the efficiency of management. In addition, each additional trust fund increases the administrative workload and related costs.	ACABQ recommends that a mechanism be established to ensure that the administration and management of trust funds does not become too complex and costly; moreover, an appropriate reimbursement should be made from these funds to cover the increase in administrative workload.	The Committee endorsed the recommendations of the Board and ACABQ.	UNDP ensures that each trust fund agreement includes provision to cover its costs. These additional funds are managed as extrabudgetary resources for use by the field office, Regional Bureaux and Administration. While UNDP is of the opinion that its costs are covered, the matter is under review to see if it is possible to streamline its operations.
	X. PERSONAL RESPONSIBILITY AND FINANCIAL LIABILITY OF UNDP OFFICIALS		
[Paragraphs 137 to 152]			
The Board recommended that more detailed instruction be issued to all staff members regarding personal responsibility and liability of staff.	ACABQ agreed with the Board.	The Committee endorsed the recommendation of the Board and ACABQ and requested the Administrator to consider effective measures to facilitate reporting by staff members on a confidential basis on inappropriate use of resources.	The Administration issued a circular to all staff in August 1990 which addressed their responsibility and liability for the propriety of their actions. It set out those areas where there is a possibility of abuse and made provision for reporting of inappropriate activities to the Assistant Administrator of the Bureau for Finance and Administration. No write-off is approved without complete documentation regarding personal responsibility and liability.

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XI. FUNCTIONAL TITLE SYSTEM			
[Paragraphs 153-157]			
The Board noted that UNDP uses more than 1,300 functional titles for its staff in the Professional and L categories. The number of functional titles for staff in the General Service category has increased considerably in recent years. It suggested that UNDP review the title system with the objective of substantially reducing the number of functional titles.	ACABQ noted that for both categories of staff the Administration agreed with the findings and would review the situation.	The Committee did not discuss this matter specifically.	The issue of clarifying functional titles has been reviewed by the Administration. A revised titling system with controls and procedures has been developed. Revised titles will be issued in 1991.

Notes

1/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5A (A/45/5/Add.1).

2/ A/45/570 and Corr.1.